IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION FOUR

CHURCH OF SCIENTOLOGY, INTERNATIONAL,)
Plaintiff/Respondent,)
)
vs.)
)
GERALD ARMSTRONG,)
Defendant/Appellant.)
)

NO. A075027

CLERK'S TRANSCRIPT ON APPEAL

FROM A JUDGMENT MADE AND ENTERED

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

MARIN COUNTY COURTS

VOLUME 6

For the Plaintiff/Respondent:

Andrew Wilson, Esq.
WILSON, RYAN & CAMPILONGO
115 Sansome Street, 4th Floor
San Francisco, CA 94104

For the Defendant/Appellant (In Pro Per):

Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 94960

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

MARIN COUNTY COURTS

DEPARTMENT 1

CHURCH OF SCIENTOLOGY, INTERNATIONAL, **Plaintiff,**	)	
vs.	)	**No. 157680**
GERALD ARMSTRONG, **Defendant.**	)	

GARY W. THOMAS	**JUDGE**
JOHN P. MONTGOMERY	**COURT EXECUTIVE OFFICER**
ELAINE PASSARIS	**REPORTER**

For the Plaintiff:

Andrew Wilson, Esq.
WILSON, RYAN & CAMPILONGO
115 Sansome Street, 4th Floor
San Francisco, CA 94104

For the Defendant (In Pro Per):

Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 94960

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Ford Greene, Esquire
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
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PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272
(310) 459-4745

Attorney for Defendant
GERALD ARMSTRONG

FILED
MAR 22 1993
JAMES H. DEMPSEY, CLERK
S. Robles
BY S. ROBLES, DEPUTY

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK
BY Roller DEPUTY

ORIGINAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

157680

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	No. **BC 052395** **DECLARATION OF FORD GREENE IN SUPPORT OF DEFENDANT'S REPLY FOR STAY OF PROCEEDINGS** Date: March 23, 1993 Time: 9:00 a.m. Dept: 30 Motion Cut Off: April 5, 1993 Discovery Cut Off: 4/5/93 Trial Date: May 3, 1993
AND RELATED CROSS ACTION	

FORD GREENE declares:

1. I am an attorney licensed to practice law in the Courts of the State of California and am the attorney of record for Gerald Armstrong, defendant and cross-complainant herein. I am familiar with the files in this case, the appeal of the

preliminary injunction issued by Ronald M. Sohigian on May 28, 1992, and the appeals of Church of Scientology of California v. Armstrong, California Court of Appeal, Second Appellate District, Division 3, Civil No. B 025920 and Church of Scientology of California v. Armstrong, Bent Corydon, Appellee, California Court of Appeal, Second Appellate District, Division 4, Civil No. B 038975.

The following exhibits are true and correct copies of documents filed in this and the aforementioned other litigation of which I have first-hand knowledge concerning which I would testify if called as a witness.

Exhibit	Document
A.	Application for Extension of Time to File Respondent's Brief; Declaration of Karen D. Holly; Order, filed March 11, 1993 in Church of Scientology International v. Armstrong, California Court of Appeal, Second Appellate District, Division 4, Civil No. B 069450
B.	Declaration of Paul Morantz, executed March 21, 1993, in the within case.
C.	Mutual Release of All Claims and Settlement Agreement, dated December, 1986.
D.	Respondent's Petition for Permission to File Response and for and Extension of Time to File Response, filed

February 28, 1990 in Church of Scientology of California v. Armstrong, California Court of Appeal, Second Appellate District, Division 3, Civil No. B 025920.

E. Declaration of Gerald Armstrong, executed March 15, 1990, filed in Church of Scientology of California v. Armstrong, Bent Corydon, Appellee, California Court of Appeal, Second Appellate District, Division 4, Civil No. B 038975.

F. Declaration of Gerald Armstrong, executed December 25, 1990, filed in Church of Scientology of California v. Armstrong, Bent Corydon, Appellee, California Court of Appeal, Second Appellate District, Division 3, Civil No. B 038975 and B 025920 (Consolidated Appeal).

G. Excerpt, Reporter's Transcript of Proceedings, December 23, 1991, in Church of Scientology of California v. Armstrong, Los Angeles Superior Court Case No. C 420153.

H. Amended Memorandum of Points and Authorities in Support of Plaintiff's Motion for Preliminary Injunction for Breach of Contract, filed May 7, 1992, in the within case.

I. Excerpt, Reporter's Transcript of Proceedings on Motion for Preliminary Injunction May 27, 1992, in the within case.

J. Opposition to Motion for Preliminary Injunction, filed May 11, 1992, in the within case.

K. Table of Contents, Appellant's Opening Brief, filed January 20, 1993, in Church of Scientology International v. Armstrong, California Court of Appeal, Second Appellate District, Division 4, Civil No. B 069450.

L. Excerpts, Deposition of Gerald Armstrong, June 24, 1992, and July 22, 1992, in the within case.

M. Declaration of Laurie J. Bartilson in Support of Application for Order to Show Cause Why Gerald Armstrong Should Not Be Held in Contempt, executed December 31, 1992, in the within case.

N. Reporter's Transcript of Proceedings, February 19, 1993, in the within case.

Under penalty of perjury pursuant to the laws of the State of California I hereby declare that the foregoing is true and correct according to my first-hand knowledge, except those matters stated to be on information and belief, and as to those matters, I believe them to be true.

Executed on March 22, 1993, at San Anselmo, California

FORD GREENE

Civil No. B 069450

COURT OF APPEAL

STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION 4

RECEIVED
MAR 19 1993
HUB LAW OFFICES

CHURCH OF SCIENTOLOGY INTERNATIONAL,

Plaintiff-Respondent,

vs.

GERALD ARMSTRONG,

Defendant-Appellant.

[Los Angeles Superior Court No. BC 052395]

COURT OF APPEAL - SECOND DIST.
FILED
MAR 11 1993
JOSEPH A. LANE Clerk
E. G. STAPLETON Jr. Deputy Clerk

On appeal from the Superior Court of the County of Los Angeles, the Honorable Ronald M. Sohigian.

APPLICATION FOR EXTENSION OF TIME TO FILE RESPONDENT'S BRIEF; DECLARATION OF KAREN D. HOLLY; ORDER

Karen D. Holly
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028
(213) 661 - 4030

Attorney for Respondent

Civil No. B 069450

COURT OF APPEAL

STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION 4

CHURCH OF SCIENTOLOGY INTERNATIONAL,

Plaintiff-Respondent,

vs.

GERALD ARMSTRONG,

Defendant-Appellant.

[Los Angeles Superior Court No. BC 052395]

APPLICATION FOR EXTENSION OF TIME TO FILE RESPONDENT'S BRIEF; DECLARATION OF KAREN D. HOLLY; ORDER

Plaintiff-Respondent, Church of Scientology International, requests this additional extension of time within which to file its responsive brief due to scheduling conflicts which have arisen due to the press of litigation. Respondent's brief is currently due to be filed on March 22, 1993. Appellants' lead counsel in this appeal proceeding, however, has had a series of appellate and trial court deadlines to meet in other matters, and has not been able to complete the responsive brief in this case. As detailed in the attached Declaration of Karen D. Holly, these actions have included preparation of an opening brief in the United States Court of Appeals for the Ninth Circuit, oral argument and the filing of a post-trial letter brief in Division 3 of this Court, and the preparation of a very extensive opening appellate brief to be filed in Division 7 of this Court, and the preparation of a Reply brief, to be filed in Division 3 of this Court. Additionally Appellant's lead counsel is committed to an intensive schedule of depositions in the second half of March and the first weeks of April in a case in the District Court in Washington, D.C.

The additional time requested will enable Respondent's counsel to brief fully and adequately the matter before the Court. Respondent, who has previously obtained extensions totalling 61 days for the submission of his opening brief, is not prejudiced by this request. The responsive brief will be completed and filed on or before April 21, 1993, with no additional requests for extension.

WHEREFORE, Respondents respectfully request that this motion be granted.

Dated: March 11, 1993

Respectfully submitted,

Eric M. Lieberman
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY, & LIEBERMAN, P.C.

-and-

BOWLES & MOXON

By: Karen D. Holly
Karen D. Holly

Attorneys for Respondent

DECLARATION OF KAREN D. HOLLY

I, Karen D. Holly, hereby declare and state:

1. I am an attorney of record for Respondent Church of Scientology International in this case. I have personal knowledge of the matters set forth below, and if called upon to do so, could and would competently testify thereto.

2. Eric M. Lieberman, of the firm of Rabinowitz, Boudin, Standard, Krinsky, & Lieberman, P.C., is the lead appellant counsel for the plaintiff-respondent. Since the filing of appellant's opening brief on January 19, 1993, Mr. Lieberman has been and is directly responsible for the following appellate matters:

> 1) The preparation and filing of Appellants' Opening Brief in the case of United States v. Zolin and Church of Scientology of California, United States Court of Appeals for the Ninth Circuit, Case Nos. 91-55990, 91-55506, and 91-56210 (on remand from the United States Supreme Court);
>
> 2) The presentation of oral argument before Division Three of the California Court of Appeal for the Second Appellate District in the case of Dee Rowe et al. v. Church of Scientology of Orange County, et al., Case No. B0704060 (the "Rowe" case);
>
> 3) The preparation and submission, at the Request of the Third Division panel, of a post-hearing letter brief in the Rowe case;

4) The preparation of the Opening Brief in the case of Religious Technology Center et al. v. Joseph A. Yanny, et al., pending before Division Seven of this Court, Case No. B058291. This brief, due on March 15, 1993, is a massive undertaking it covers the events of two separate and complete trials in an action which was bifurcated into a jury trial and a separate bench trial -- both of which are under appeal; and

5) The preparation of the Reply Brief in the case of Religious Technology Center et al. v. Joseph A. Yanny, et al., pending before Division Three of this Court, Case No. B 068261. This brief is due on March 22, 1993.

3. Additionally, Mr. Lieberman has a longstanding commitment to participate in a series of depositions in the case of Church of Scientology International, et al. vs. Eli Lilly and Co., et al., United States District Court, D.C., Case No. 92-1892 (SS). Depositions in this case are currently scheduled for March 11, 12, 17, 18 and April 1, 2, 7 and 8.

3. The additional 30 days for the filing of movant's responsive brief will enable Respondents' counsel to provide this Court with a complete and concise brief while still fulfilling all of his other appellate and trial court obligations.

4. Respondent has previously sought from this Court and been granted one 30 day extension of time within which to file its

responsive brief. Appellant has previously obtained court-sanctioned extensions and delayed the filing of his opening brief further by submitting an oversized brief which was rejected by this Court. Appellant filed his opening brief a total of 61 days after the date originally set by the Court for this briefing.

5. I am not aware of any prejudice that will result to any party or person if the Court grants this application for extension of time.

6. This application is made in good faith and because additional time is reasonably necessary and is not made for any purposes of delay.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 11th day of March, 1993 at Los Angeles, California.

Karen D. Holly

Karen D. Holly

Attorney for Respondent
Church of Scientology
International

ORDER

IT IS ORDERED that Respondent Church of Scientology International may have an extension of time of 30 days in which to file it's responding brief, up to and including April 21, 1993.

MAR 17 1993

Dated: March __, 1993

WOODS, P.J.

PRESIDING JUSTICE

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On March 11, 1993, I served the foregoing document described as APPLICATION FOR EXTENSION OF TIME TO FILE RESPONDENT'S BRIEF; DECLARATION OF KAREN D. HOLLY; ORDER on interested parties in this action

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in sealed envelopes addressed as follows:

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 94960-1949

PAUL MORANTZ
P.O. Box 511
Pacific Palisades, CA 90272

[X] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondece for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

Executed on March 11, 1993 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelope by hand to the offices of the addressee.

Executed on ________, 1993, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

______________________________ ______________________________

Type or Print Name Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

DECLARATION OF PAUL MORANTZ

I, Paul Morantz, do hereby declare as follows:

I am an attorney for the Defendant and if called to the stand and sworn under oath I could competently testify as follows:

1. On March 17, 1993, I appeared for Defendant's application for a stay or in alternative additional time to respond to summary judgment motions. The clerk advised the court wanted a hearing on the matter on March 23, 1993. Laurie Bartilson than advised your declarant that it was her position the oppositions to the summary judgment motions were due that day, i.e. the 17th. I advised they were not as your declarant was served by mail. Ms. Bartilson than advised it didn't matter because Mr. Ford was personally served.

2. Given Ms. Bartilson's position, although not agreed with, I asked the clerk if we could speak to the court on that issue alone. The clerk advised us we could not but that all matters would be heard on March 23, 1993.

3. Not surprisingly, for Scientology, Ms. Bartilson then filed a false notice of ruling indicating the court would not extend time to respond to the summary judgments. This led to you declarant filing a corrected notice of ruling (Ex. A).

4. To bootstrap their arguments, Scientology has now filed a declaration saying it personally served your declarant with one of the summary judgment motions. This is the second time in this litigation Scientology has falsely so stated, and under circumstances quite similar.

5. At the injunction hearing, Scientology claimed personal

service of papers on your declarant. Not only was this a lie, but your declarant provided the court with the mailed envelope the papers came in which bore a post date one day after the alleged personal service in the Scientology declaration. As a result the court ordered a short continuance.

6. In this instance, all of Scientology's summary judgment motions were received by your declarant in the mail on the same day. Each motion says it was served on your declarant by mail (Ex.B). Only when it became to their interest to argue otherwise, was the new position taken. This all maya be surprising to the court. To those of us who have litigated in the past against the Scientology firm o Bowles and Moxon, it is not.

I declare under penalty of perjury that the above is true and correct to the best of my belief.

Executed on 5-21, 1993 at Los Angeles, California

PAUL MORANTZ

EXHIBIT A

PAUL MORANTZ
A Professional Corporation
P.O. Box 511
Pacific Palisades, California 90272
(310) 459-4745

HUB LAW OFFICES
Ford Greene, Esquire
California State Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
(415) 258-0360

RECEIVED
MAR 20 1993
HUB LAW OFFICES

Attorneys for DEFENDANT GERALD ARMSTRONG

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiffs,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

CASE NO. BC 052 395
(Marin County Sup. Ct.
Case No. 152 229

NOTICE OF
CORRECTED RULING

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that upon ex-parte application of defendant on March 17, 1993 in Department 30, the court ordered a hearing on said application for March 23, 1993 at 8:30 AM.

Opposing papers are to be filed by noon on March 19, 1993 and FAXed to defendant's counsel by said time. Any reply papers are to be filed by noon March 22, 1993 and FAXed to plaintiff's counsel at said time.

The court did not rule on any matters contained in defendant's ex-parte application and deferred the same to the hearing of March 23, 1993. No one was requested to give notice.

3-18-93
Date

Paul Morantz
Attorney for Defendant

PROOF OF SERVICE BY MAIL

I am a resident of Los Angeles County, am over the age of eighteen, and not a party to the herein action. My business address is P.O. Box 511, Pacific Palisades, California 90272.

On March 18, 1993, I served the within Notice of Corrected Ruling on the parties by placing a copy of the same in a sealed envelope with postage thereon and placed the same in the United States mail at Pacific Palisades address as follows:

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, CA 94104

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, CA 90028

I declare that the above is true under the penalty of perjury. Executed on March 18, 1993, at Pacific Palisades, California.

Barbara M. Elwood
Barbara M. Elwood

EXHIBIT B

PROOF OF SERVICE BY MAIL

I am a resident of Los Angeles County, am over the age of eighteen, and not a party to the herein action. My business address is P.O. Box 511, Pacific Palisades, California 90272.

On March 18, 1993, I served the within Notice of Corrected Ruling on the parties by placing a copy of the same in a sealed envelope with postage thereon and placed the same in the United States mail at Pacific Palisades address as follows:

Andrew H. Wilson
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235 Montgomery Street
Suite 450
San Francisco, CA 94104

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, CA 90028

I declare that the above is true under the penalty of perjury. Executed on March 18, 1993, at Pacific Palisades, California.

Barbara M. Elwood

Barbara M. Elwood

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

GA

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

GERALD ARMSTRONG

Witness

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:

M. J. Flynn
MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

Heber C. Jentzsch
for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

F 28 1990
EA

APPEAL - SECOND DIST.
ILED
EB 28 1990
N. WILSON Clerk

Deputy Clerk

ORIGINAL

MAR - 9 1990

Permission to file respondent's brief GRANTED
Time to file respondent's brief extended to 60 days after date of this order.

3-22-90

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION THREE

CHURCH OF SCIENTOLOGY OF CALIFORNIA, et al.,

Plaintiffs-Appellants,

v.

GERALD ARMSTRONG,

Defendant-Respondent

MARY SUE HUBBARD

Intervenor.

Case No. B025920

LASC No. C420153

RESPONDENT'S PETITION FOR PERMISSION TO FILE RESPONSE AND FOR AN EXTENSION OF TIME TO FILE RESPONSE

I am the respondent Gerald Armstrong. I am petitioning this court at this time for permission to file a respondent's brief in this appeal and for an extension of time in which to file a respondent's brief or other appropriate document.

1. Permission to File:

The unusual need for this court's permission to file a respondent's brief arises from a condition contained in a document entitled MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT signed by me December 6, 1986, a copy of which is attached hereto in a sealed envelope as Exhibit A. I have no objection to this document being unsealed.

Para. 4A of the settlement agreement allowed appellants to maintain their appeal, no. B005912, which had been filed in 1984, although the case was ostensibly settled. Para. 4B contains the condition that I "waive any rights [I] may have to oppose (by responding brief or any other means) any further appeals taken by the Church of Scientology of California."

I have recently become convinced that it would be a fraud upon this court to not advise it that the respondent is prohibited from filing a brief. I am also now convinced that my right to file a respondent's brief is not something that can be taken away by such a settlement agreement.

I have discovered, moreover, that "the failure to file respondent's brief imposes an unnecessary burden on [the] court, and at least raises the inference that respondent concedes that the appeal is meritorious," Sowell v. Sowell, 164 Cal. App. 2d 371, 330 P.2d 391 (1958), Yarbrough v. Yarbrough, 144 Cal. App. 2d 610, 301 P. 2d 426 (1956); that the court "may assume . . . that the respondent has abandoned any attempt to support the judgment, and . . . may also assume that the points made by the appellant are meritorious," Roth v. Keene, 256 Cal. App. 2d 725, 64 Cal. Rptr. 399 (1967); and that the court "shall regard with disfavor the failure of a respondent in any case to assist the court by means of an answering brief," James v. James, 125 Cal. App. 2d, 417, 270 P.2d, 538 (1954).

I am therefore requesting this court's permission to file a respondent's brief, motion for dismissal or other responsive document.

2. Extension of Time to File:

I received Appellants' Brief and Appellants' Supplemental Appendix in Lieu of Clerk's Transcript from Flynn, Sheridan & Tabb on January 18, 1990. I have not yet received Appellants' Appendix.

I am not an attorney and I am not represented by legal counsel in any Scientology matters at this time. Neither Flynn, Sheridan & Tabb nor Contos & Bunch, both of which firms represented me throughout the litigation of this case in the lower court, will be representing me in this appeal. It is my intention to retain an attorney to represent me in this appeal if at all possible.

Appellants had five and a half years from the date the trial court issued its Decision to the date they filed their brief.

Appellants have filed another appeal, entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant, Bent Corydon, Appellee, Civ. No. B 038975 in Division Four in the Second Appellate District, which has its genesis in the same case underlying this appeal, Super. Ct. No. C420153, and concerns many of the same facts and issues as this appeal. I am at this time also petitioning the Division Four Court for permission to respond in that appeal.

There remain a number of issues springing from the settlement agreement, appellants' actions in violation of the agreement, and appellants' obstructive and threatening use of the agreement, which this court does not have to consider in order to grant my petition, but which I will be addressing as soon as possible by motion or other appropriate action in the Los Angeles Superior Court, which retains, pursuant to clause 20 of the settlement agreement, jurisdiction to enforce its terms.

I therefore request 90 days from the date of this court's granting of this petition in which to file a respondent's brief or other responsive document.

DATED: February 20, 1990

Respectfully submitted,

GERALD ARMSTRONG

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business adress is 7140 Buckingham Blvd., Berkeley, CA 90475.

On February 20, 1990 I caused to be served the foregoing document described as RESPONDENT'S PETITION TO FILE RESPONSE AND FOR AN EXTENSION OF TIME TO FILE RESPONSE on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Oakland, California, addressed to the persons and addresses specified on the service list attached.

Executed on February 20, 1990 at Oakland, California.

SERVICE LIST

COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION THREE
3580 Wilshire Blvd., Room 301
Los Angeles, California 90010

ERIC M. LIEBERMAN, ESQ.
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
740 Broadway, Fifth Floor
New York, New York 10003-9518

MICHAEL LEE HERTZBERG, ESQ.
275 Madison Avenue
New York, New York 10016

MICHAEL J. FLYNN, ESQ.
FLYNN, SHERIDAN & TABB
One Boston Place, 26th Floor
Boston, Massachusetts 02108

JULIA DRAGOJEVIC, ESQ.
CONTOS & BUNCH
5855 Topanga Canyon Blvd., #400
Woodland Hills, California 91367

CLERK OF THE SUPERIOR COURT
111 North Hill Street
Los Angeles, California 90012

DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare:

1. I am the defendant in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Attached hereto as Exhibit A is a copy of the Armstrong decision rendered by Judge Paul G. Breckenridge Jr. on June 20, 1984. A cross-complaint I filed against plaintiff Scientology organization and other Scientology organizations, hereinafter referred to as "the organization," was bifurcated from the underlying case on motion of the organization and did not go to trial as it settled on December 11, 1986. The settlement agreement included delivery of certain documents from the underlying case to the organization and allowed the organization to maintain its appeal from the Armstrong decision then pending in the California Court of Appeal, Second Appellate Division as No. B005912. On December 18, 1986 the Court of Appeal, whose decision is attached hereto as Exhibit B, dismissed the organization's appeal, reasoning that there would be no appealable final judgment until after trial of the cross-complaint.

2. On October 11, 1989 I was served at my home with a subpoena duces tecum, a copy of which is attached hereto as Exhibit C, in the case of Bent Corydon v. Church of Scientology International, Los Angeles Superior Court No. C 694401. The subpoena, issued by Toby Plevin, attorney for Mr. Corydon, orders my appearance to testify at a deposition and to produce the agreements, releases and any other documents relating to the settlement I had entered into with the organization.

3. Within a few days of service Ms. Plevin telephoned to confirm that the deposition venue was acceptable to me, to advise me that the

October 20 deposition date would probably be changed, and to ask me for alternative dates which would be convenient for me. We spoke two or three times by telephone over the next week or so to set or cancel dates. During one of our conversations she informed me that she had received "a threatening letter" concerning my deposition from attorney Larry Heller, who I knew to be an attorney of record for various Scientology-related organizations and individuals, and to have a supervisory role in virtually all the organization's legal matters. Ms. Plevin read me parts of Mr. Heller's letter in which he stated that it was inconceivable that I had any information relevant to Mr. Corydon's lawsuit, that Ms. Plevin was seeking to breach the settlement agreement by proceeding with my deposition, and that should my deposition ever go forward he would apply to the court for sanctions. It became apparent to me during this conversation with Ms. Plevin that I was very important to both sides in the Corydon litigation and that I was again intensely involved with the organization and could not avoid involvement.

4. On October 23 I received a telephone call from Mr. Heller. He stated that his client would seek a protective order to prevent the deposition from going forward but that it probably would anyway. He asked if I would have an attorney at the deposition, and I said that Michael Flynn (who had represented me in Armstrong) did not wish to be involved, that so far I did not have another attorney for the deposition, and that it was likely I would not. Mr. Heller then offered to have his client pay for an attorney for me to be present at the deposition. I asked if it could be an attorney of my choice, and he said that he didn't see any problem but would need to ensure that the attorney would do what his client wanted. He said that to maintain the settlement agreement I could only answer questions by court order, that I should refuse to answer the deposition questions and force Mr. Corydon to

get an order from the court compelling me to answer. I said I would have to think about the problem and get some advice. Mr. Heller gave me his phone numbers and asked me to call him back within two days.

5. Following my conversation with Mr. Heller I called my attorney Michael Flynn who had negotiated the settlement of my lawsuit and similar settlements on the same date for several other individuals. I informed him of Mr. Heller's offer and he said that Mr. Heller had called him earlier and offered to pay him to attend my deposition to prevent my testifying. Mr. Flynn said that he had refused the offer and reiterated that he did not wish to be involved in any way in Scientology-related litigation. I confirmed with him that nothing in the settlement agreement proscribed my obtaining assistance or advice from anyone currently involved in litigation against the organization.

6. I then called Ms. Plevin, told her of the organization's offer to pay for an attorney for me at the deposition, and asked her if she and Mr. Corydon could match the offer. She said that she is a sole practitioner, that she and Mr. Corydon are keeping the lawsuit going on a shoestring, and that they could not pay for my attorney. She said, moreover, that even if she and Mr. Corydon could afford it they would not pay for an attorney for me because it would be unethical.

7. On October 25 I called Mr. Heller to tell him I considered it inappropriate for the organization to pay for an attorney for me. He said he had a problem with me responding to deposition questions concerning such things as L. Ron Hubbard's misrepresentations or my period as Mr. Hubbard's archivist in the organization. He said he wanted to have an attorney present to instruct me not to answer such questions so that Mr. Corydon would have to move to compel an answer. He said that if the court

ordered sanctions for my refusal to answer his client would indemnify me. He said I had a contractual obligation to the organization, which it had paid a lot of money for, not to divulge confidential information, and that if I answered I would have breached the settlement agreement and may get sued. He said he recognized that I was in the middle and that my safest position was to refuse to answer, make Mr. Corydon bring a motion to compel and let the court be the final arbiter.

8. This and other threats, other events and circumstances following the settlement, and my present level of importance to and involvement with the organization have impelled me to write this declaration. It is my opinion that some of the settlement conditions are unenforceable, that the organization is attempting to enforce them in a manner which is inconsistent with the spirit of settlement, and that these conditions and their attempted enforcement consititute an on-going obstruction of justice and violation of my and others' First Amendment rights. The purpose of this declaration is to make known this situation, to demonstrate certain conditions' unenforceability, and to support an action to have them so adjudged by the court with jurisdiction to enforce the terms of the settlement agreement. I am also providing this declaration to parties and lawyers involved in the correction of legal abuses.

9. On November 1, 1989 Mr. Heller, on behalf of Author Services, Inc. (ASI), a defendant in Corydon, filed a motion "to Delay or Prevent the Taking of Certain Third Party Depositions," a copy of which is attached hereto as Exhibit D. At page 4 Mr. Heller states:

"One of the key ingredients to completing these settlements, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology parishioner or staff member's experiences within the

Church of Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members or parishioners; and (3) the terms and conditions of the settlements themselves."

10. The complete text of the settlement ingredient Mr. Heller has capsulized, paragraph 7D, reads:

"Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff."

11. It is my opinion that the conditions of this paragraph are unenforceable for two reasons: a. the organization's actions since the settlement have rendered them invalid; b. they are so broad and at the same time so restrictive that, even if the organization had not acted to invalidate them, they deny me, on their face, several inalienable rights and are therefore against public policy.

12. Paragraph 7B of the December 1986 settlement agreement reads in part:

"Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees."

13. Paragraph 8 of the December 1986 settlement agreement reads:

"Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date."

14. I am including these two paragraphs because they contain what to me is essential in the settlement agreement, and they show that my rights arising out of the conduct of the organization following the settlement are not waived or relinquished.

15. Sometime in the fall of 1987 I received a copy of a document, pages 11, 12, 18 and 29 from which are attached hereto as Exhibit E, created and circulated by the organization to discredit Bent Corydon who had written a book entitled L. Ron Hubbard, Messiah or Madman? which had been published in August that year. Mr. Corydon had interviewed me several months before the settlement and had used some of my statements from the interview, my trial testimony in Armstrong, and from declarations I had written during the pre-settlement litigation in his book.

16. At page 29 of their retort the organization states:

"Corydon has used a description of the RPF provided by Gerry Armstrong, among others. Armstrong's description in this book, however, is completely contrary to his own previous sworn affidavit about the RPF.

"Gerry Armstrong's description of the RPF in Corydon's book can also be viewed in light of Armstrong's numerous false claims and lies on other subject matters. See chapter on Corydon as an "author" for further information on Gerry Armstrong's incompetence as a researcher."

17. The chapter on Mr. Corydon as author contains the statement at page 12:

"Gerry Armstrong, another one of Corydon's main sources in the book, claims that L. Ron Hubbard " ... did not spend several years throughout Asia," and that Mr. Hubbard's total time in Asia was "a few weeks."

L. Ron Hubbard, in fact, was in Asia and the Orient several times during a three-year period , during which his travels were quite extensive."

These paragraphs concern my experiences in the organization as Mr. Hubbard's archivist and biographical researcher and my knowledge of Mr. Hubbard's history, and I consider that I have a right to reply.

18. The organization states at page 18 of its retort:

"Homer [Schomer] had testified in 1984 in a court case brought by the Church of Scientology against Gerald Armstrong (a former staff member who had stolen valuable documents from Church archives).

In the Christofferson case, Schomer admitted to having committed perjury in the previous Armstrong case."

I believe the organization is in violation of the settlement agreement by discussing the Armstrong case.

19. The organization states at page 11 of its retort:

"Corydon goes on to say that tens of millions of dollars paid for services delivered to Church members at the Flag organization were channeled into Hubbard's personal accounts.

There is no documentation to support this statement by Corydon. In fact, his claims are based on nothing more than hearsay, rumor and lies gathered from a small cabal of thieves, perjurers and disreputable sources."

While working on a project for Mr. Hubbard, I acquired the knowledge that millions of dollars of organization money had been channeled into his accounts, I wrote a number of declarations containing this information after leaving the organization, and I know the other individuals who had this and similar knowledge and who were Mr. Corydon's sources for his statement. To denominate us "a small cabal of thieves, perjurers and disreputable sources" I believe is scandalous.

20. On October 7, 1987 I received a call from Michael Flynn who relayed to me a message from Earle C. Cooley, one of the organization's principal attorneys, concerning the then proceeding trial in London, England of a lawsuit the organization had brought against a writer, Russell Miller. Mr. Miller had interviewed me in Boston, Massachusetts in 1986, some months before the December settlement, for a biography of L. Ron Hubbard. According to Mr. Flynn, Mr. Cooley stated that it had been disclosed during the trial that Mr. Miller possessed documents in violation of sealing orders in Armstrong, and he threatened that if I talked to any of the attorneys or parties involved in the trial the organization would view it as a breach of the settlement agreement.

21. In early 1988 I received copies of various documents, attached hereto as Exhibits F to K, from the case of Church of Scientology of California v. Russell Miller & Penguin Books Limited in the High Court of Justice, Case No. 6140. The organization had unsuccessfully sought pre-publication suppression of Mr. Miller's book, which he titled Bare-Faced Messiah, and it was published and distributed immediately following the October 1987 trial.

22. Attached hereto as Exhibit F is a copy of an affidavit of Kenneth David Long dated October 5, 1987, and the exhibits or partial exhibits thereto that so far I have in my possession. The purpose of Mr. Long's affidavit, as it relates to me, was to try to convince the English Court that I had provided documents to Mr. Miller in violation of various California Courts' sealing orders.

23. In pages 3 through 8 Mr. Long gives the organization's version of my job description and actions as Mr. Hubbard's biography researcher and archivist, the contracting of Omar V. Garrison to write the biography, and the procedural history in Armstrong from the filing of the complaint up to the settlement. At page 9 Mr. Long states that "following the trial the Church sought and obtained a series of sealing orders which effectively maintained the sealing of the trial exhibits right up to and including December 1986." He then identifies a number of documents Mr. Miller had quoted from in Bare-Faced Messiah: Mr. Hubbard's Boy Scout Diary, a letter to Mr. Hubbard from his mother, a letter from Mr. Hubbard to his first wife, Polly, a letter to the Cape Cod Instrument Company, a journal Mr. Hubbard kept while in the navy, three diaries from 1927 to 1929, and Mr. Hubbard's "Tentative Constitution for Rhodesia." Mr. Long also states that each of these documents "has never been unsealed or made available to the general public."

24. At page 13 of his affidavit Mr. Long, without providing any further elucidation, states, "I also know that Mr. Armstrong refused to obey an order of the court, and retained possession of documents which he had been ordered to surrender to the court for safekeeping under seal." He then concludes that "it is my belief that the documents quoted and paraphrased in Mr. Miller's manuscript were furnished to Mr. Miller by Mr. Armstrong, and that they could not have been furnished to Mr. Miller by anyone else as no one else other than Mr. Armstrong had access to these documents."

25. The exhibits Mr. Long identified and appended to his affidavit included the following:

a. A copy of my W-2 Wage and Tax Statements for 1977 and 1978. This document, which I have attached to Mr. Long's affidavit, shows the court's exhibit sticker indicating it was admitted into evidence in Armstrong.

b. A copy of an affidavit I executed on April 12, 1980 while in the organization. This document, the first page of which I have attached to Mr. Long's affidavit, was also admitted into evidence in Armstrong.

c. A copy of my petition to Mr. Hubbard to assemble his archives for a biography. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

d. A non-disclosure and release bond executed by me on March 18, 1977. This document, the first page of which I have attached to Mr. Long's affidavit, shows the court's exhibit sticker indicating it was admitted into evidence in Armstrong.

e. A copy of my dispatch of February 22, 1980. This document, which is presently unavailable to me was admitted into evidence in Armstrong.

f. A copy of my dispatch of May 14, 1980. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

g. A copy of the agreement dated October 30, 1980 between Omar Garrison and AOSH DK Publications. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

h. A copy of a letter of November 14, 1980 from AOSH DK Publications regarding the Hubbard biography project. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

i. A copy of a resolution adopted by the organization's board of directors providing an assistant to Mr. Garrison. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

j. A copy of my letter of December 12, 1981 resigning from my position as Mr. Hubbard's researcher. This document, which is presently unavailable to me, was admitted into evidence in Armstrong.

k. A copy of pages 313 to 323 of my deposition testimony of August 1, 1986 in the case of Michael J. Flynn v. Church of Scientology International in the US District Court Central District of California, Case No. CV8504853R. I have attached these pages as an exhibit to Mr. Long's affidavit herewith.

26. Attached hereto as Exhibit G is a copy of a second affidavit of Mr. Long dated October 5, 1987 which was filed in the Miller case. In pages 2 through 16 of this affidavit Mr. Long again reviews the Armstrong litigation, expands his analysis of the case's various sealing orders, and again designates several documents he claims I gave Mr. Miller in contravention of those orders.

27. At page 9 of his affidavit Mr. Long identifies three diaries written by Mr. Hubbard between 1927 and 1929 and charges that Mr. Miller or Jonathan Caven-Atack, who had assisted Miller with his research, possessed them in violation of a sealing order in Armstrong. Mr. Long goes on to state at page 10: "I am certain that the only possible source for the diaries attached by Mr. Caven-Atack as Exhibit JC-A4 is Mr. Armstrong and/or his counsel."

28. In pages 11 to 15 of his affidavit Mr. Long describes a letter to Mr. Hubbard from his mother, Mr. Hubbard's Boy Scout diary, and a letter from Mr. Hubbard to his first wife, Polly, and alleges that Mr. Miller or Mr. Caven-Atack obtained these documents from me in violation of the Court's sealing orders.

29. At page 16 Mr. Long describes three letters from Mr. Hubbard to Helen O'Brien and goes on to state: "All three of these letters were surrendered to the Clerk of the Court by Mr. Armstrong and his counsel in September 1982, and all remained under seal until they were returned to the Church in December 1986. Mr. Miller's inclusion of the information cited herein clearly shows additional breaches of confidence and violation of the orders issued by the California courts."

30. I consider that Mr. Long's assertions of what documents were sealed, when they were sealed and where they originated are erroneous, and his conclusion that I had violated the Los Angeles Superior Court's sealing orders fallacious.

31. Attached hereto as Exhibit H is a copy of a third affidavit of Mr. Long dated October 5, 1987 and filed in the Miller case. At page 4 Mr. Long repeats his accusation that "the evidence is irrefutable that the great majority of these biographical documents were obtained by Mr. Caven-Atack and Mr. Miller in violation of court sealing orders." And he states: "Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in Church files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity."

32. Attached hereto as Exhibit I is a copy of pages 1 and 4 of an affidavit of Sheila MacDonald Chaleff dated October 5, 1987 which was filed in Miller. I do not at present have pages 2 and 3. Ms. Chaleff, whom I do not know, states at page 4: "Mr. Armstrong is known to me to be a US government informant who has admitted on video tape that he intended to plant forged documents within the Church of Scientology and then using the

contents to get the Church raided where these forged documents would be found and used against the Church."

33. Attached hereto as Exhibit J is a copy of an affidavit of Mr. Long dated October 7, 1987 and filed in Miller. The copy I have is missing a page at paragraphs 4 to 7. At paragraph 2 Mr. Long describes his responsibilities:

"I have been deeply involved in the litigation of (Armstrong) since the inception of that litigation on August 2, 1982. During the course of my participation in that litigation, I personally inventoried the materials surrendered pursuant to court order to the Clerk of the Los Angeles Superior Court in September 1982 by Gerald Armstrong and his counsel. I also attended almost every deposition and/or pre-trial proceeding held in that case, and was present as an assistent to counsel throughout each day of the trials proceedings in May and June, 1984." At paragraph 7 Mr. Long concludes: "There is no legal way that Mr. Armstrong, Mr. Miller and/or Mr. Newman could have possession of these materials."

34. At paragraph 9 Mr. Long identifies a document he has written entitled "A Chronological History of Major Armstrong Case Orders," and at paragraph 10 he describes the security operation he and a staff maintained throughout the life of the Armstrong documents as their fate was decided by various courts:

"...I maintained, along with my staff, a daily check with each court in which a temporary stay order was pending in order to ensure that I learned the minute a ruling was issued. So before the trial court received any order vacating a sealing order, the Church obtained another order sealing them up again. In actuality, it took 3-5 days for the trial court to receive a vacating order from the Higher Court and before rescript I would personally hand deliver a new stay order. In addition, I also had my staff maintain a watch over the area of the court where these documents were kept during each so called "window" period and no one viewed and/or copied the materials." Mr. Long concludes that"(t)here can be no doubt that the documents in issue herein, no matter through whom they were funneled to Mr. Miller, originated from Mr. Armstrong, in violation of court orders."

35. At paragraph 15 Mr. Long argues the matter of the Helen O'Brien letters:

"Gerald Armstrong was the only person that had these letters and he knowingly violated several court orders -- the August 24, 1982 court order to turn in all materials to the court and the June 20, 1984 court order sealing the documents. He obviously didn't keep them sealed since Mr. Newman and Mr. Miller have copies and he didn't turn in all copies of the letters when ordered, since as a condition of settlement Mr. Armstrong turned in any materials he had concerning LRH or the Church. I personally inspected the documents he turned in in January 1987 and among them were the three Helen O'Brien letters, letters that he was ordered to turn into the court."

36. The text of the settlement agreement relating to documents, Paragraphs 7E and 7L, reads:

"E. With exception to the items specified in Paragraph 7L, Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and other items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV 85-0440-HLH(Tx), presently in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal."

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach."

37. I believe the provisions of Paragraphs 7E and 7L are unenforceable because the organization has itself violated the intent of the settlement agreement by acting improperly with the documents entrusted to it, by its own violations of sealing orders, and by its failure to deliver to me my documents in reciprocity.

38. Attached hereto as Exhibit K is a copy of an affidavit of Mr. Long dated October 8, 1987 and filed in Miller. Mr. Long responds to explanations in additional affidavits of Mr. Miller and Mr. Caven-Atack concerning sources and routes for their Hubbard documents. Mr. Long concludes again that "there is no doubt that the documents in question in the suit were improperly obtained in violation of Court Orders and in Breach of Confidence." He also quotes in his affidavit from the transcript of a hearing

of April 23, 1984 in Armstrong, a declaration of Michael Flynn from "another church case," and a comment of my lawyer Julia Dragojevic at a deposition of Homer Schomer.

39. Mr. Long also identifies, produces and quotes from an affidavit of mine dated March 7, 1986, a copy of which I have attached hereto as Exhibit L. This affidavit was filed in Tonja Burden v. Church of Scientology of California, et al. U.S. District Court, Middle District of Florida, Tampa Division, Case No. 80-501-Civ-T-17. The organization settled this case in 1986 and had the case file sealed.

40. On December 21, 1988 I received a call from Michael Flynn who relayed a message from Michael Lee Hertzberg, one of the organization's leading lawyers. Paul Morantz, Bent Corydon's attorney in one or another case, filed a motion to unseal the Armstrong court file. Judge Geernaert, who had inherited the Armstrong file after Judge Breckenridge retired, allowed the unsealing. The organization had 30 days to appeal. They wanted me to file a pleading to keep the court file sealed. They said that otherwise the "pig document" would come out. (This document, which was specifically sealed by Judge Breckenridge, was a recitation of a dream I had in 1985.) They also stated that if I didn't file something it would unsettle the settlement. They said they have a case on point. They said it would be bad for me. I could have to give the (settlement) money back. Mr. Flynn translated the facts to me: "It's a veiled threat." I said my decision at that time was to do nothing.

41. On December 22, 1988 Mr. Flynn called to tell me he had received the organization's petition for a writ of supersedeas. He said the case Mr. Hertzberg had been citing regarding unsettling the settlement involved a doctor who molested a minor patient. As part of the settlement

the file was sealed. Mr. Flynn said he was unsure how the case applies to what the organization wanted me to do. He said the court didn't get to the point of dealing with unsettling the settlement. I said I would still do nothing.

42. On December 27, 1988 I again spoke by telephone with Mr. Flynn who had himself spoken to lawyers on both sides of Mr. Corydon's litigation. This is what I considered relevant at the time: Following Judge Geernaert's unsealing of the Armstrong court file, the organization filed a petition for a writ of supersedeas claiming the sealing of the file was consideration for settlement. In his response Paul Morantz filed some settlement documents, a notary seal from the State of Pennsylvania on which identified Bill Franks, like me a former organization executive and witness in various organization-related cases, as their source. Mr. Franks had sent the documents to a lawyer to look at and the lawyer gave them to another lawyer who gave them to Mr. Morantz. The organization reacted. They claimed to have "the smoking gun," the proof of settlement violations. They charged that there are numerous breaches: they knew last summer that Mr. Franks had spent time with the Aznarans (who I understood to be organization executives who had recently defected and had sued the organization); and they had some instance of Homer Schomer doing something three weeks before. Mr. Flynn advised me he was going to file a pleading to say that the settlement documents should remain sealed. I said I felt the court file should be unsealed and almost certainly would be at some point, but that I wouldn't do anything at that time. Around November 15, 1989 I received from Ms. Plevin a copy of a document entitled "Response of Gerald Armstrong to Opposition Filed By Real Party in Interest, Bent Corydon" which is attached hereto as Exhibit M.

43. On November 18, 1989 I received a copy of a videotape of me edited from illegal videotapes made in 1984 by organization operatives and used thereafter against me. This copy had been given to the London Sunday Times, along with a package of documents concerning me which I do not yet have, in late 1987 or early 1988. Taped to the cassette is the business card of Eugene M. Ingram, the organization's private detective who set up the illegal videotaping. A copy of one side of the video cassette showing Mr. Ingram's card is attached hereto as Exhibit N.

44. On November 20, 1989 I received a call from Mr. Heller who said he wanted to talk me into giving the organization a declaration. He said Homer Schomer, who had also been subpoenaed to testify at a deposition in Corydon, had given them a declaration. Mr. Heller said it was very simple and straightforward, just two things: that I'd had either no or minimal contact with Mr. Corydon in the organization; and that subsequent to leaving I had received no information regarding him. Mr. Heller said that my signing a declaration to help ensure the deposition doesn't go forward would be of assistance to the organization and me. He said we would both have hassles if my deposition goes forward. I told Mr. Heller that it would be inappropriate and I couldn't give him the declaration. I said that I know Mr Corydon quite well. Mr. Heller said that the organization and he did not see me as a relevant witness but a way for Corydon's attorneys to leverage a settlement. I said I saw myself as a relevant witness. I said, "From everything I've seen that's going on and everything I've heard that's going on and knowing my history and the issues I cannot see ducking (the deposition) at all. The truthful declaration would be that I would see that my experiences and my knowledge of Bent would be relevant to his case." Mr. Heller said that if I thought I would be helping Bent Corydon by

appearing, I might, but that for sure he would never help me. He said only the organization would ever help me. He stated that I should assist the organization because it had honored its agreement. He said that the organization had signed a non-disclosure agreement as well and as far as he knew had lived up to its agreement. When I paused in answering he said that if there had been any violations he wanted to know and he would rectify the problem. I said, "I think you could check with Ken Long on what has been done regarding Gerald Armstrong subsequent to the settlement. Just get from him everything that's been filed regarding Armstrong, all his declarations regarding me, all the so-called false report corrections that have been put out subsequent to the settlement, any time the so-called "Armstrong Operation" videotape has been used subsequent to the settlement." Mr. Heller reiterated at the end of our conversation that if I start to testify, for example about the Hubbard biography project, or things he and the organization consider irrelevant, they will carefully examine their rights as to what action they will take. He said he strongly suggested that I refuse to answer subject to attorney instruction. He said I had a contractual obligation as far as he could tell.

45. The provisions of the settlement agreement relating to testifying, Paragraphs 7G and 7H, read:

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organization aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in an manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed."

46. It is my opinion that these provisions are unenforceable because the organization is using them in a coercive and obstructive manner, because on their face they deny equal justice to anyone who would engage the organization legally, and because they are suppressive of several basic rights: speech, assembly, safety, happiness.

47. On November 30, 1989 I attended a hearing in Corydon of the organization's motion to prevent my deposition from going forward before Judge Norman Epstein in the Los Angeles Superior Court. Judge Epstein ruled that the deposition would go forward and it is now set for April 12 and 13, 1990.

48. While at the hearing I was served with a subpoena duces tecum, a copy of which is attached hereto as Exhibit O, ordering me to appear as a witness in the trial of Religious Technology Center, et al. v. Joseph Yanney, et al., Los Angeles Superior Court Case No. C690211. The subpoena also orders the production of the settlement agreement. The Yanney trial is at this date proceeding before Judge Raymond Cardenas in department 41.

49. On January 18, 1990 I received from Flynn, Sheridan and Tabb, the law firm which had represented me in Armstrong, a copy of a new appeal, No. B025920, which the organization had filed on December 21, 1989

in Division Three of the Second Appellate District in the California Court of Appeal. In this appeal the organization seeks a reversal of the Breckenridge decision (Exhibit A).

50. On January 30, 1990 I received from Flynn, Sheridan & Tabb the "Reply Brief of Appellants and Response to Cross-Appeal" filed in Division Four of the Second Appellate District in the Court of Appeal in a case entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant; Bent Corydon, Appellee, Civ. No. B038975. In this appeal the organization is seeking a reversal of Judge Geernaert's decision unsealing the Armstrong case file.

51. On February 15, 1990 I received a telephone call from attorney Michael Tabb, a partner of Michael Flynn, who said that he had been called by Larry Heller who told him that the organization considered I had violated the settlement agreement by being in the courthouse to be served in Yanney, that they intended to prove it, and that I would be sued.

52. On February 20, 1990 I executed a document I titled "Respondent's Petition for Permission to File Response and for an Extension of Time to File Response," a copy of which is attached hereto as Exhibit P, and had it mailed to the Court of Appeal. The document was filed in the Armstrong appeal, No. B025920, in Division Three on February 28.

53. On February 21, 1990 I executed a document I titled "Defendant's Petition for Permission to File Response and for Time to File," a copy of which is attached hereto as Exhibit Q, and had it mailed to the Court of Appeal. This document was filed in the Corydon appeal, No. B038975, in Division Four on March 1.

54. At some point the Court of Appeal unsealed the settlement agreement, which I had attached as a sealed exhibit to my two petitions, and which I have attached hereto as Exhibit R.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this fifteenth day of March, 1990 at Oakland, California.

G.

Gerald Armstrong

IN THE COURT OF APPEAL

OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION THREE

(Civ.# B 038 975)
(Superior Court # C 420 153)

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

and

MARY SUE HUBBARD,

Appellants,

-against-

GERALD ARMSTRONG,

Defendant.

BENT CORYDON,

Respondent

APPEAL FROM SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
JUDGE BRUCE R. GEERNAERT

DEFENDANT'S APPENDIX

GERALD ARMSTRONG
P.O. Box 751
San Anselmo, CA 94960

DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare:

1. I am the defendant and cross-complainant in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C420153. I have been involved in litigation with various Scientology entities, hereinafter referred to as "the organization," since 1982. Until December 1986 I was represented in this litigation by the law firms of Flynn, Joyce & Sheridan (now Flynn, Sheridan & Tabb) in Boston, Massachusetts and Contos & Bunch in Woodland Hills, California. Michael Flynn, my attorney in Armstrong was the prime mover in much of the organization-related litigation throughout the U.S.

2. The legal battle waged by the organization was abusive, menacing and debilitative. The organization sued Mr. Flynn or his firm many times, filed countless false sworn statements about Mr. Flynn and me, and attempted to frame both of us and bring false criminal charges against us.

3. At the beginning of December 1986 an agreement was reached in Los Angeles between the organization and Mr. Flynn to settle most of the cases in which he had been involved either as counsel or party. I was then working in the Flynn, Joyce & Sheridan firm, so was aware that settlement talks were occurring, and I had reached an agreement with Mr. Flynn on a monetary figure to settle my lawsuit with the organization. Such talks had occurred a number of times over the prior four years.

4. On December 5 I was flown to Los Angeles, as were several other of Mr. Flynn's clients with claims against the organization, to participate in a "global settlement." After my arrival in LA I was shown a copy of a document entitled "Mutual Release of All Claims and Settlement Agreement,"

hereinafter referred to as "the settlement agreement," and some other documents, which I was expected to sign.

5. The settlement agreement, attached hereto as Exhibit A, has now become a public document, and it and its effects are issues in various lawsuits now pending. I am making this declaration to explain why I signed such a patently offensive document, to clarify what my present legal situation is regarding the agreement and the organization, and to assist in the resolution of the Scientology conflict. I am waiving the attorney-client privilege between Mr. Flynn and me only as to our conversations concerning the settlement agreement and the settlement.

6. Upon reading the settlement agreement draft I was shocked and heartsick. I told Mr. Flynn that the condition of "strict confidentiality and silence with respect to [my] experiences with the [organization]" (settlement agreement, para. 7D), since it involved over seventeen years of my life, was impossible. I told him that the "liquidated damages" clause (para. 7D) was outrageous; that pursuant to the settlement agreement I would have to pay $50,000.00 if I told a doctor or psychologist about my experiences from those years, or if I put on a job resume what positions I had held during my organization years. I told Mr. Flynn that the requirements of non-amenability to service of process (para. 7H) and non-cooperation with persons or organizations adverse to the organization (paras. 7G ,10) were obstructive of justice. I told him that I felt that agreeing to leave the organization's appeal of the decision in Armstrong and not respond to any subsequent appeals (para. 4B) was unfair to the courts and all the people who had been helped by the decision. I told Mr. Flynn that an affidavit the organization was demanding that I sign along with the settlement agreement was false. The document, which I do not have, stated, inter alia, that my

disagreements with the organization had been with prior management and not with the then current leadership. In fact there had been no management change and I had the same disagreements with the organization's "fair game" policies and actions which had continued without change up to the time of the settlement. I told him that I was being asked to betray everything and everyone I had fought for against organization injustice.

7. In answer to my objections to the settlement agreement Mr. Flynn said that the silence and liquidated damages clauses, and anything which called for obstruction of justice were not worth the paper they were printed on. He said the same thing a number of times and a number of ways; e.g., that I could not contract away my Constitutional rights; that the conditions were unenforceable. He said that he had advised the organization attorneys that those conditions in the settlement agreement were not worth the paper they were printed on, but that the organization, nevertheless, insisted on their inclusion in the settlement agreement and would not agree to any changes. He pointed out the clauses concerning my release of all claims against the organization to date and its release of all claims against me to date (paras. 1, 4, 5, 6, 8) and said that they were the essential elements of the settlement and were what the organization was paying for.

8. Mr. Flynn also said that everyone was sick of the litigation and wanted to get on with their lives. He said that he was sick of the litigation, the threats to him and his family and wanted out. He said that as a part of the settlement he and all co-counsels had agreed to not become involved in organization-related litigation in the future. He expressed a deep concern that the courts in this country cannot deal with the organization and its lawyers and their contemptuous abuse of the justice system. He said that if I didn't sign the documents all I had to look forward to was more years of

harassment and misery. One of Mr. Flynn's other clients, who was in the room with us during this discussion, yelled at me, accusing me of killing the settlement for everyone, and that everyone else had signed or would sign, and everyone else wanted the settlement. Mr. Flynn said that the organization would only settle with everyone together; otherwise there would be no settlement. He did agree to ask the organization to include a clause in my settlement agreement allowing me to keep my creative works relating to L. Ron Hubbard or the organization (para. 7L).

9. Mr. Flynn said that a major reason for the settlement's "global" form was to give the organization the opportunity to change its combative attitude and behavior by removing the threat he and his clients represented to it. He argued that the organization's willingness to pay us substantial sums of money, after its agents and attorneys had sworn for years to pay us "not one thin dime" was evidence of a philosophic shift within the organization. I argued that the settlement agreement evidenced the unchanged philosophy of fair game, and that if the organization did not use the opportunity to transform its antisocial nature and actions toward its members, critics and society I would, a few years hence, because of my knowledge of organization fraud and fair game, be again embroiled in its litigation.and targeted for extralegal attacks.

10. Regarding the affidavit the organization required that I sign, Mr. Flynn said that the "disagreement with prior management" could be rationalized as being a disagreement with L. Ron Hubbard, and since Mr. Hubbard had died in January 1986 it could be said that I no longer had that disagreement. Mr. Flynn said that the organization's attorneys had promised that the affidavit, which all the settling litigants were signing, would only be used by the organization if I began attacking it after the settlement, and

since I had no intention of attacking the organization the affidavit would never see the light of day.

11. During my meeting with Mr. Flynn in Los Angeles I found myself facing a dilemma which I reasoned through in this way. If I refused to sign the settlement agreement and affidavit all the other settling litigants, many of whom had been flown to Los Angeles in anticipation of a settlement, would be extremely disappointed and would continue to be subjected to organization harassment for an unknown period of time. I had been positioned in the settlement drama as a deal-breaker and would undoubtedly lose the support of some if not all of these litigants, several of whom were key witnesses in my case against the organization. Although I was certain that Mr. Flynn and my other lawyers would not refuse to represent me if I did not sign the documents I also knew that they all would view me as a deal-breaker and they would be as disappointed as the other litigants in not ending the litigation they desperately wanted out of. The prospect of continuing the litigation with unhappy and unwilling attorneys on my side, even though my cross-complaint was set for trial within three months, was distressing. On the other hand, if I signed the documents, all my co-litigants, some of whom I knew to be in financial trouble, would be happy, the stress they felt would be reduced and they could get on with their lives. Mr. Flynn and the other lawyers would be happy and the threat to them and their families would be removed. The organization would have the opportunity they said they desired to clean up their act and start anew. I would have the opportunity to get on with the next phase of my life and the financial wherewithal to do so. I was also not unhappy to at that time not have to continue to testify in all the litigation nor to respond to the media's frequent questions. If the organization continued its fair game

practices toward me I knew that I would be left to defend myself and I accepted that fact. So, armed with Mr. Flynn's advice that the conditions I found so offensive in the settlement agreement were not worth the paper they were printed on, and the knowledge that the organization's attorneys were also aware of that legal opinion, I put on a happy face and the following day went through the charade of a videotaped signing.

12. Before signing the settlement agreement I also consulted with another attorney who advised me that the agreement, including the liquidated damages clause, to have any validity must be reciprocal. He stated that if any agent of the organization said anything to anyone concerning my experiences in the organization or about my case the organization was liable to me for $50,000.00 for each such instance.

13. In my declaration of March 15, 1990 I detailed my post-settlement involvement with the organization and what I knew of its attempts to enforce by threat the settlement agreement conditions and its acts against me in violation of the letter and spirit of the agreement. At paragraph 44 of the declaration I recount a telephone call to me from organization attorney Larry Heller on November 20, 1989 in which he stated that the organization had signed a non-disclosure agreement as I had and had lived up to its agreement. In the motion dated October 31, 1989 of Author Services, Inc. to prevent the taking of my deposition in the case of Bent Corydon v. Church of Scientology International, Inc., et al. Los Angeles Superior Court No. C694401 (Exhibit D to my 3-15-90 declaration), Mr. Heller states: "One of the key ingredients to completing these settlements, insisted upon by all parties involved, (emphasis in original) was strict confidentiality respecting: (1) the Scientology parishioner or staff member's experiences within the Church of Scientology; (2) any knowledge possessed by the

Scientology entities concerning those staff members or parishioners; and (3) the terms and conditions of the settlements themselves."

14. I filed the March 15 declaration on March 23 as an exhibit to a document entitled "Defendant's Reply To Appellants' Opposition To Petition For Permission To File Response and For Time" in the California Court of Appeal, Second Appellate District, Division Four in the case of Church of Scientology of California, Appellants v. Gerald Armstrong; Bent Corydon, Appellee; Civ. No. B 038975. On the motion of Mr. Corydon, a present litigant against the organization, Los Angeles Superior Court Judge Bruce R. Geernaert, on November 9, 1988 unsealed the Armstrong court file, which had been sealed since the settlement, allowing Mr. Corydon and his attorneys to examine and copy the file for use in his litigation. The organization appealed Judge Geernaert's ruling, filing an opening brief on October 11, 1989. The organization based its argument that the court file should remain sealed on its averment that "[a]n integral, indispensable part of [the] settlement was the sealing of the court's record." (Appellants Brief, p4). On March 1, 1990 I filed a document entitled "Defendant's Petition For Permission To File and For Time To File" (3-15-90 Declaration, Exhibit Q), requesting permission to file a response to the organization's appeal. On March 6 the organization filed "Appellants' Opposition To Defendant's Petition For Permission To File Response and For Time To File," attached hereto as Exhibit B. In its argument for denial of my request to file a response the organization asserted that "the sealing of the file was an essential part of the settlement agreement, pursuant to which Mr. Armstrong received a substantial sum of money in settlement of his cross-complaint." (Opp. p2) My reply to the organization's opposition is attached hereto as Exhibit C. On April 9, 1990 in a letter to the Clerk of the Supreme Court of

California the Clerk of the Court of Appeal for the Second Appellate District requested that the B038975 appeal be transferred from Division Four to Division Three. The Division Three Court already had before it the case of Church of Scientology of California v. Gerald Armstrong, Civ. No. B025920, the organization's appeal of the Los Angeles Superior Court's 1984 decision (3-15-90 Declaration, Ex. A) in the case brought against me in 1982. On March 9, the Division Three Court had granted a similar "Petition For Permission To Respond" I had filed in that appeal, and on July 9 my attorney, Michael Walton, filed a respondent's brief on my behalf. On October 16 the Division Three Court granted my petition to respond in the B038975 appeal.

15. The 3-15-90 declaration was also filed on March 19, 1990 as an exhibit to a motion, attached hereto as Exhibit D, brought by Mr. Corydon "for an order directing non-interference with witnesses and disqualification of counsel" in Corydon, supra. On March 27 the organization filed an opposition, attached hereto as Exhibit E, to Mr. Corydon's motion, supported by, inter alia, a declaration of attorney Lawrence Heller dated 3-27-90, attached hereto as Exhibit F, and a declaration of Kenneth Long dated 3-26-90, attached hereto as Exhibit G. At paragraph 13 of his declaration Mr. Heller states: "13. The confidentiality provisions of the Armstrong Settlement Agreement are nor (sic) reciprocal in nature. Mr. Armstrong does have duties of confidentiality under the terms of the Armstrong settlement and paragrapg (sic) 10 appears to be an accurate recitation of those duties. However, there are no reciprocal duties of confidentiality under the terms of the Armstrong Settlement Agreement that apply to any of the Church parties in the settlement. 14. An important part of the Armstrong settlement was that the Church was not bound by the same confidentiality provisions as

Armstrong and that the Church parties remain free to comment upon and use information pertaining to Mr. Armstrong's experiences in the Church of Scientology. At the time of the Armstrong settlement, information from Mr. Armstrong was being used in a number of cases around the world. It was important to the Church parties to the Armstrong settlement that they remain free to defend themselves against allegations supported by information originating from Armstrong prior to the settlement. I discussed this aspect of the confidentiality provisions the (sic) settlement agreement with Armstrong's counsel, Michael J. Flynn, during my settlement negotiations with him in 1986 and it was clearly understood by both sides of the negotiations that the confidentiality provisions were not to be reciprocal. Any assertions to the contrary now being made by Amrstrong (sic) are false." Mr. Long states in his declaration at paragraph 5: " There is no provision in the settlement agreement with Armstrong which would prohibit CSC from using information obtained through litigation with Armstrong in seeking legal remedies for wrongs committed by third parties." The organization's opposition (Ex. E) states at p. 14 that "an important part of the Settlement Agreement revolved around the continuing ability of the Church to refute the often bizarre allegations made by Mr. Armstrong. Thus, this issue was addressed during the settlement negotiations, with the result that no (emphasis in original) clause was included in the agreement preventing the Church from such action."

16. In his 3-27-90 declaration Mr. Heller, in response to my 3-15-90 declaration in which I recount the three telephone conversations we had in October and November 1989, also avers that "[a]t no time did I threaten him with a lawsuit, speak to him in a threatening manner or even mention a lawsuit. The Court should note Armstrong never says I threatened him with

litigation in his declaration. (emphasis in original). .... However, to my recollection, all of this took place during the course of one (1) telephone conversation." (Ex. F. paras. 10,11) The organization's opposition (Ex. E) states at p. 11: "Even if Gerald Armstrong's declaration....were fully (emphasis in original) truthful (which it is not -- see Declaration of Lawrence E. Heller attached) (parens in original), the acts ascribed to Mr. Heller in his discussions with Armstrong must be construed as ethical and legal. Regardless, as can be seen from the Declaration of Lawrence E. Heller attached hereto, Heller recalls having only one (emphasis in original)(1) telephone call with Armstrong wherein he did, in fact, offer to provide him with an attorney to represent him at his deposition, which Armstrong promptly refused. Mr. Heller did not (emphasis in original) offer to have his client pay for that attorney or offer to indemnify Armstrong for sanctions which might be imposed (sanctions were never discussed) (parens in original)." The opposition also states that "Armstrong nowhere in his declaration indicates Heller threatened him with litigation." (Ex. E, p.12)

17. In his 3-26-90 declaration Kenneth Long repeats the proof he propounded in his affidavits (3-15-90 Dec. Exs. F,G,H,J,K) filed in 1987 in the case of Church of Scientology of California v. Russell Miller & Penguin Books Limited in the High Court of Justice in London, England, Case no. 6140, that I "had knowingly violated orders issued by Los Angeles Superior Court." Mr. Long states (Ex. G, para. 3) that : "[t]aken together, my October, 1987 affidavits demonstrate that:

a. In August, 1982, Armstrong was ordered by Judge John L. Cole to surrender certain documents and materials to the custody of the Clerk of the Los Angeles Superior Court.

b. Armstrong later attested on numerous occasions, that he had surrendered all such documents and materials, and that he had none in his possession.

c. In January, 1987, following settlement of Scientology (sic) of California ("CSC"), Armstrong turned over to CSC all Church-related documents in his possession. I personally inspected the documents turned over by Armstrong, and found a number of copies of the documents which Armstrong had previously sworn that he had surrendered to the Clerk of the Court.

d. Based on my discovery of these documents, I concluded that Armstrong had intentionally perjured himself on numerous occasions, and had as well knowingly violated orders issued by judges at all levels ranging from the Los Angeles Superior Court to the Supreme Court of the United States."

Mr. Long then explains that his "affidavits, therefore, were required to detail the elements of the breach of confidence claim against Miller and Penguin, and the claim could not have been brought without explaining the underlying actions taken by Armstrong."

18. At paragraph 7 of the 3-15-90 declaration I state that during our conversation of October 25, 1989 Mr. Heller "said I had a contractual obligation to the organization, which it had paid a lot of money for, not to divulge confidential information, and that if I answered (deposition questions about such things as L. Ron Hubbard's misrepresentations) I would have breached the settlement agreement and may get sued." At para. 44 of the 3-15-90 declaration I state that "Mr. Heller reiterated at the end of our conversation that if I start to testify, for example about the Hubbard biography project, or things he and the organization consider irrelevant, they

will carefully examine their rights as to what action they will take." At para 51 I state that "[o]n February 15, 1990 I received a telephone call from attorney Michael Tabb, a partner of Michael Flynn, who said that he had been called by Larry Heller who told him that the organization considered I had violated the settlement agreement by being in the courthouse to be served in Yanney, that they intended to prove it, and that I would be sued." (See also para. 48 where I describe being served with a trial subpoena in the case of Religious Technology Center, et al. v. Joseph Yanney, LASC No. C690211.) In a declaration I executed on March 26, 1990, a copy of which is attached hereto as Exhibit H, I describe at para 4 another instance of threatened litigation from Mr. Heller. "On March 21 I spoke by telephone with attorney Michael Flynn, counsel of record in Armstrong, who said that he had been called by Mr. Heller two or three weeks before. Mr. Heller told Mr. Flynn that I was sitting in the courtroom in the Yanney trial and that if I testified in Yanney I would be in violation of the settlement agreement and I would be sued. Mr. Heller asked Mr. Flynn to call me and tell me not to testify. Mr. Flynn said no. The day I had been present at the Yanney trial was March 5, 1990."

19. On April 4, 1990 I was served with a subpoena duces tecum applied for by Author Services, Inc. and Bridge Publications, Inc., two organization entities, a copy of which is attached hereto as Exhibit I, ordering my production of any sound recordings or other records I possessed of my telephone conversations with Mr. Heller, at a deposition in Corydon on April 24. Toby Plevin, Mr. Corydon's attorney, had apparently stated at the hearing of the motion for an order directing non-interference with witnesses (see para. 15) that I had a recording of my side of one or more of my conversations with Mr. Heller. Ms. Plevin had already scheduled my

deposition, which had been the subject of the organization's motion of October 31, 1989 to prevent its being taken (see para. 13), for April 24 and 25. The deposition went forward on those days and I produced for the organization my notes of Mr. Heller's telephone conversations with me of October 23 and 25 and November 20, 1989, attached hereto as Exhibits J, K and L respectively,and a cassette recording of my side of the November 20, 1989 conversation, a transcript of which is attached hereto as Exhibit M. I can translate and interpret the scrawled notes if called upon to do so. It is my opinion that the notes and transcript show that my account in the 3-15-90 declaration of my communications with Mr. Heller is accurate.

20. In the 3-15-90 declaration at para. 30 I stated that "I consider that [Kenneth] Long's assertions of what documents were sealed, when they were sealed and where they originated are erroneous, and his conclusion that I had violated the Los Angeles Superior Court's sealing orders fallacious." Mr. Long based his proof that I had violated the sealing order on three "Helen O'Brien letters," which were among the documents delivered to the Court by my attorneys in September 1982, hereinafter referred to as the "Armstrong documents." Mr. Long found among the documents I delivered to the organization in January 1987 pursuant to the settlement agreement photocopies of the three letters. He concluded that I had retained copies of the letters when the Armstrong documents had been delivered to the Court where they remained until the settlement. And he concluded that, because Mr. Miller had copies of the same Helen O'Brien letters, I had violated the Court's sealing orders. I first saw the three letters, I believe in 1980, in Los Angeles in the possession of Helen O'Brien, who had been a major figure in Hubbard's organization in the United States in the early 1950's. They were part of a collection of documents I arranged to purchase from Ms. O'Brien for

L. Ron Hubbard's archives. After purchasing all of the Helen O'Brien documents I copied them and provided them to Omar Garrison in 1981 for his use in the Hubbard biography project. Some of them I retrieved from Mr. Garrison in the summer of 1982 and sent to my attorneys in anticipation of their need in litigation with the organization. These were the Armstrong documents. Prior to selling her documents to the Hubbard archives Ms. O'Brien allowed a collector of Hubbardinia, Jamie Macuuchi (sp?), who had also wanted to purchase her collection, to copy them. The copies Mr. Macuuchi made were recopied and distributed to many people, including, as shown in the Long affidavits filed in Miller, supra, Mr. Newman, Mr. Caven-Atack and Mr. Miller. In 1986 I was also sent a copy of the Macuuchi/ O'Brien letters, and these were included as Mr. Long states in the documents I delivered to the organization in January 1987. I believe that the facts in this matter show that I complied with the LA Superior Court's orders and any sealing order issued by any court up to the Supreme Court of the United States, and that I fulfilled my part of the settlement agreement.

21. Attached hereto as Exhibit N is a copy of a "final adverse ruling" dated July 8, 1988 from the Internal Revenue Service to The Church of Spiritual Technology denying its application for tax exempt status. At page 3 of the ruling, which cites several times to Armstrong, the IRS states:

"In support of the protest (protest conference was held in January 1987) to our initial adverse ruling, we were supplied with copies of affidavits dated December 4, 1986, from Gerald Armstrong and Laurel Sullivan. Ms. Sullivan was the person in charge of the MCCS project (the organization's Mission Corporate Category Sort-out, the purpose of which was to devise a new organizational structure to conceal L. Ron Hubbard's continued control). The affidavits state that the new church management 'seems to have returned to the basic and lawful policies and procedures as laid out by the founder of the religion, L. Ron Hubbard.' The affidavits conclude as follows: 'Because of the foregoing, I no longer have any conflict with the Church of Scientology or individual members affiliated with the Church. Accordingly I have executed a mutual release agreement with the Church of Scientology and sign this affidavit in order to signify that I have no quarrel with the Church of Scientology or any of its members.'" Fortunately the IRS did not give much weight to the affidavits, which had been used by one of the organization's spinoff corporations (COST) in immediate violation of the promise of Mr. Flynn that they would not be so used (para. 10 supra), stating at page 4 of its ruling that "[t]he fact that Mr. Armstrong and Ms. Sullivan elected to settle their personal differences with Scientology does not detract from the relevance of the statements they previously made concerning Mr. Hubbard's use of Scientology organizations to serve his private interest."

22. During the April 24 and 25, 1990 deposition in Corydon I was shown and authenticated several documents, copies of three of which, all declarations filed in Armstrong, are attached hereto as Exhibits O, P and Q. The declarations and their exhibits deal mainly with three major organization subjects: a. the use by the organization of supposedly confidential statements made by individuals undergoing organization therapy (auditing) against the individuals; b. obstruction of justice; c. "fair game", pursuant to which the auditing confidentiality violations and the obstruction of justice are carried out. Fair game is the name given by L. Ron Hubbard to his philosophy of opportunistic hatred directed at anyone he didn't like. Over his entire adult life he used hatred and acts which flow from hatred (lying, cheating, stealing, compromising, entrapping, obstructing,

bullying, blackmailing, destroying) as the solution to his problems -- with doctors, psychologists, government agencies, the courts, critics, his family and innocent individuals. The people who have replaced Mr. Hubbard since his retirement from active management employ the same philospphy of opportunistic hatred in dealing with the problems they inherited from him and those they created newly as they employed his fair game solution. I have been the target of Hubbardian fair game for many years and have a deep understanding of the philosophy and acts which flow from it. In truth I do not represent the slightest threat to the organization. I do, however, represent a threat to fair game by being willing to be its target. The organization will exist long after fair game is renounced and gone. The organization as a hate group cannot last because fair game is such a silly and ineffective philosophy. Fair play is a better deal.

23. Exhibit O is a declaration I executed on October 11, 1986 to show that the organization had violated the LA Superior Court's orders in Armstrong to produce the files its intelligence bureau maintained on me. The declaration details years of fair game operations directed at me and the organization's obstruction of legitimate discovery concerning the operations.

24. Exhibit P is a declaration I executed on November 1, 1986 and filed in support of an opposition to the organization's motion for summary adjudication. The declaration lays out my knowledge from 1969 through 1986 of the fraud of promised sanctity of information divulged in auditing and the actual use made of this information pursuant to fair game.

25. Exhibit Q is a declaration I executed on November 18, 1986 and filed in support of an opposition to the organization's motion to continue the trial of my cross-complaint which was then set for January 19, 1987. The declaration, which is the last I prepared prior to the December 1986

settlement, deals with the organization's obstruction of justice, acts of opportunistic hatred, and the alteration of my life by its acts.

26. The Armstrong court file contains overwhelming proof that L. Ron Hubbard lied about his past, his status, his credentials, his health, his philosophy, the efficacy of his therapy, and his intent. The file contains overwhelming proof of fair game in action through this year, of the violations of auditing sanctity at least through 1986, and of organized obstruction of justice on a massive scale to this date. It contains the story of an individual of no particular power or position who spoke out against the lies and against fair game. It is a story of intelligence operations, black propaganda, threats, acts of violence, spiritual and psychological perversions, and bad apples from the lawyer barrel. It contains a picture of what may happen to anyone of no particular power or position who dares to speak out against lies and fair game. The contents of the file are relevant to anyone who was drawn into the organization, either as a client or as a staff member, by any representation made by the organization. The contents of the file are relevant to anyone who has ever undergone auditing (and everyone in the organization does) and to anyone who is considering becoming involved with the organization. The contents are relevant to anyone involved in litigation with the organization or seeking to correct the organization's abuses. The file is relevant to the media, sociologists, psychologists, courts, law enforcement, and legislatures.

27. The organization was given a period of years following the settlement to clean up its act. The other settling litigants and I honored our agreements, removing ourselves as threats and allowing the organization the opportunity to change its combative attitude and behavior (see para 9, supra). It did not use its opportunity for anything but opportunism. Since

the settlement it has itself flagrantly violated court sealing orders, its lawyers have threatened me with lawsuits, it has continued its black propaganda attack on me, it has filed false affidavits about me, and it has used my good will to obstruct justice in countless courts. It is my opinion that full disclosure, including the unsealing of the Armstrong file and the publication of this and my other declarations, will not harm the organization in the least. It is my opinion that full disclosure will relieve the organization of the burden of concealing its fair game philosophy and its past, and relieve it of its unfounded fear of what disclosure might portend. And disclosure will eliminate possible further fair game acts to prevent disclosure. It is my opinion that there need not be hostility to achieve peace.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 25th day of December, 1990, at Sleepy Hollow, California.

Gerald Armstrong

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 56 HON. BRUCE R. GEERNAERT, JUDGE

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

PLAINTIFF,

VS.

GERALD ARMSTRONG,

DEFENDANT.

CASE NO. C 420 153

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

MONDAY, DECEMBER 23, 1991

APPPEARANCES:

(SEE APPEARANCE PAGE.)

COPY

HERBERT CANNON, CSR NO. 1923
OFFICIAL REPORTER

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ESPECIALLY WHEN YOU HAVE A TRANSCRIPT OF WHAT HAPPENED DURING THE HEARING.

MR. HERTZBERG: I WANT TO MAKE TWO OTHER POINTS BEFORE I MOVE ON ON THIS. ONE OF THEM IS THERE IS NO EVIDENCE THAT JUDGE BRECKENRIDGE DID NOT HAVE THE AGREEMENT IN FRONT OF HIM.

THE COURT IS MAKING A MAJOR FOCAL POINT OF THE FACT THAT MINISTERIALLY THE SETTLEMENT AGREEMENT WAS NOT FILED SUBSEQUENTLY WITH THE CLERK OF THE COURT. THAT DOES NOT MEAN, AND THIS COURT CANNOT, IN OUR VIEW, CONCLUDE THAT THE COURT DID NOT HAVE THE SETTLEMENT AGREEMENT IN FRONT OF IT AND WAS NOT AWARE OF THE ENTIRETY OF ITS TERMS.

I JUST WANTED TO POINT OUT THAT JUST BECAUSE WE DIDN'T FILE IT WITH THE CLERK DOES NOT MEAN THAT JUDGE BRECKENRIDGE DIDN'T KNOW EVERY WORD THAT WAS IN THAT SETTLEMENT AGREEMENT.

THE COURT: IT DOES NOT MEAN THAT HE DID EITHER.

AND I'LL SAY THIS: THAT IN MY EXPERIENCE -- AND IT MAY NOT BE THE SAME AS EVERYBODY ELSE'S -- WHEN PARTIES OR LAWYERS WANT A JUDGE TO ORDER THE PERFORMANCE OF THE SETTLEMENT AGREEMENT, THEY BRING IT IN.

WITH THE LITTLE CRYPTIC PHRASE, "IT IS SO ORDERED AT THE END OF THE AGREEMENT, THAT RAISES ALL SORTS OF CONCERNS WITH ME. MAYBE EARLIER, 15 YEARS AGO, I MIGHT HAVE DONE IT A COUPLE OF TIMES.

WHEN I REALIZED WHAT KIND OF PROBLEM THAT WAS, I SIMPLY DON'T DO IT ANYMORE. IF THEY WANT AN ORDER OF SOME OF THE TERMS, THEN I HAVE THEM SPELL OUT WHAT OF THE TERMS

THEY CONSIDERED TO BE APPROPRIATE FOR THE COURT ORDER AND THEN I GO OVER THEM AND SAY IS THIS REALLY SOMETHING THAT IS THE BUSINESS OF THE COURT TO BE ORDERING AND ENFORCING WITH CONTEMPT OR NOT?

AND I MAKE SURE THAT IT IS THE KIND OF CLEAR AND CONCISE ORDER THAT CAN BE THE SUBJECT OF A CONTEMPT PROCEEDING. SO MY BELIEF IS JUDGE BRECKENRIDGE, BEING A VERY CAREFUL JUDGE, FOLLOWS ABOUT THE SAME PRACTICE AND IF HE HAD BEEN PRESENTED THAT WHOLE AGREEMENT AND IF HE HAD BEEN ASKED TO ORDER ITS PERFORMANCE, HE WOULD HAVE DUG HIS FEET IN BECAUSE THAT IS ONE OF THE -- I HAVE SEEN -- I CAN'T SAY -- I'LL SAY ONE OF THE MOST AMBIGUOUS, ONE-SIDED AGREEMENTS I HAVE EVER READ. AND I WOULD NOT HAVE ORDERED THE ENFORCEMENT OF HARDLY ANY OF THE TERMS HAD I BEEN ASKED TO, EVEN ON THE THREAT THAT, OKAY, THE CASE IS NOT SETTLED.

I KNOW WE LIKE TO SETTLE CASES. BUT WE DON'T WANT TO SETTLE CASES AND, IN EFFECT, PROSTRATE THE COURT SYSTEM INTO MAKING AN ORDER WHICH IS NOT FAIR OR IN THE PUBLIC INTEREST.

SO BASICALLY, I HAVE TO CONCLUDE BASED ON THE RECORD THAT THERE WAS NO ORDER; SIMPLY, HE WASN'T PRESENTED THE ORDER. HE WAS NOT ASKED TO ORDER ITS PERFORMANCE. HE DIDN'T ORDER ITS PERFORMANCE.

THE FIRST TIME THAT WOULD BE DONE WOULD BE IN RESPONSE TO YOUR MOTION AT THIS TIME.

MR. HERTZBERG: JUDGE, LET ME RESPOND TO THAT.

FIRST OF ALL, I THINK YOUR HONOR KNOWS WE ARE NOT CLAIMING THAT JUDGE BRECKENRIDGE SO ORDERED THE TERMS

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG and DOES 1 through 25, inclusive, Defendants.	Case No. BC 052395 AMENDED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION FOR BREACH OF CONTRACT DATE: May 14, 1992 TIME: 8:30 a.m. DEPT: 86 DISCOVERY CUTOFF: None MOTION CUTOFF: None TRIAL DATE: None

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I. PRELIMINARY STATEMENT

In December, 1986, plaintiff Church of Scientology International ("the Church" or "plaintiff") sought to end a period of long and bitter harassment and attack from former-member Gerald Armstrong ("Armstrong" or "defendant"). Armstrong, who had been expelled from the Scientology religion after stealing confidential documents belonging to the religion's Founder, L. Ron Hubbard, entered into a campaign of activities, both overt and covert, intended to divide Church members from the ecclesiastical leaders of the Church, forge incriminating documents and plant them in Church files, stage a raid on Church facilities by government officials on the basis of the forged documents planted in Church files, get Church members to disaffect and file lawsuits against the Church on the basis of naked allegations insupportable by any evidence and, in Armstrong's own words, "to create as much s--- as possible" for the Church. [See Ex. 3, Declaration of Lynn F. Farny ("Farny Decl."), ¶ 7.]

Armstrong's bitter and lengthy campaign was ended, or so plaintiff thought, when he entered into a confidential Settlement Agreement (the "Agreement") with plaintiff in 1986. The terms of the Agreement required Armstrong not merely to end his own litigation against plaintiff, but among other things, also required Armstrong to refrain from aiding others in litigation, to return to the Church the documents which he had stolen and all copies of them, to refrain from discussing with third parties his experiences with the Scientology faith, and to keep confidential all terms of the Agreement itself. This amicable settlement was achieved only after careful and extensive negotiations. [Ex. 4, Declaration of Lawrence E. Heller ("Heller Decl."), ¶ 2.]

Unfortunately, an amicable separation was not to be. Despite a carefully drawn mutually acceptable Agreement, Armstrong is at it again.

Since June, 1991, Armstrong has, by his own admissions:

- Provided aid to anti-Church litigants Vicki and Richard Aznaran[1] and Joseph Yanny[2] through declarations purporting to describe Armstrong's Scientology experiences, along with copies of documents that Armstrong agreed to keep confidential, including the Agreement;
- Performed paralegal services for Yanny in the Aznarans' case; and
- Performed paralegal services in the Aznarans' case for the Aznarans' present attorney, Ford Greene, which continues to the present.

Rather than deny these activities, all of which violate the Agreement, Armstrong boasts of them.[3] To put an end to Armstrong's unlawful campaign once and for all, the Church requests the entry of this preliminary injunction to enjoin Armstrong from committing further and continuous breaches of his Agreement while the effects of his earlier breaches are adjudicated.[4]

---

[1] Vicki Aznaran is the former president of another entity affiliated with the Scientology faith, Religious Technology Center. She and her husband Richard, a former employee of the plaintiff Church, are involved in litigation against plaintiff and other Church parties, Vicki Aznaran, et al. v. Church of Scientology of California, et al., United States District Court for the Central District of California, No. CV 88-1786 JMI (Ex).

[2] Joseph Yanny is the former attorney for the Church and is also a defendant in a pending action, Religious Technology Center, Church of Scientology International and Church of Scientology of California v. Joseph A. Yanny ("Yanny 2"), LASC No. BC-033035, in which he has been enjoined from legal representation of Armstrong against his former clients.

[3] The Church's pleas and requests that he honor his Agreement have proven fruitless; rather, Armstrong, having spent the proceeds of his earlier hate campaign, seems bent on extorting still more money from this plaintiff with his outrageous conduct. On a daily and continuous basis, Armstrong is working to poison proceedings involving current anti-Church litigants, impeding any hope of resolving those cases short of a lengthy and expensive trial.

[4] See, e.g., Exhibits 1F, 1J and 1K to Request for Judicial Notice ("Request") and Exhibit 2B to Declaration of Andrew H. Wilson ("Wilson Decl.")

II. STATEMENT OF FACTS

A. The Settlement Agreement

In December, 1986, the Church entered into the Agreement with Armstrong. The Agreement provided for a mutual release and waiver of all claims arising out of a cross-complaint which defendant Armstrong had filed in Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153.[5] The Agreement included multiple clauses designed to guarantee that new actions were not spawned or encouraged by the conclusion of the old one.[6] These clauses included provisions that Armstrong would not: (1) assist or advise anyone else engaged in litigation adverse to the interests of the Church; (2) testify or otherwise participate in any other judicial proceeding adverse to the Church unless compelled to do so by lawful subpoena; (3) disclose documents at issue in the case; or (4) disclose to anyone the terms of the Agreement itself.[7] The Church had good reason for negotiating these particular clauses with Armstrong. In addition to his own litigation, Armstrong fomented significant additional litigation against the Church and other Churches of Scientology, stirring up enmities of other former members. Moreover, Armstrong became involved in plot after clandestine plot to take over or even destroy his former religion.[8]

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[5] The signatories to the Agreement were Gerald Armstrong and the Church of Scientology International, by its President, Heber Jentzsch. [Ex. 2A to Wilson Decl.] Mr. Armstrong's signature was witnessed by Jo Ann Richardson and Michael Sutter, and the Agreement was signed with approval as to form and content by Mr. Armstrong's attorney, Michael Flynn. [Id.]

[6] See specifically ¶¶ 7(H), 7(G), 10, 7(D), 18(D), 20 of Exhibit 2A, the Agreement.

[7] Armstrong also agreed that damages for violations of the nondisclosure provisions would be a liquidated amount of $50,000 per disclosure.

Armstrong received a portion of a total settlement paid to his attorney, Michael Flynn, in a block settlement concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. The exact portion of the settlement which Armstrong received was maintained as confidential between Mr. Flynn and Armstrong.

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[8] In November, 1984, for example, Armstrong was plotting against the Scientology Churches and seeking out staff members in the Church who would be willing to assist him in overthrowing Church leadership. The Church obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On four separate occasions in November, 1984, Armstrong met with two individuals that he considered to be defectors, whom he knew as "Joey" and "Mike." In reality, both "Joey" and "Mike" were loyal Church members who, with permission from the Los Angeles police, agreed to have their conversations with Armstrong surreptitiously videotaped. During the course of these conversations, Armstrong:

a. Demanded that "Joey" provide him with copies of documents published by the Church so that he could forge documents in the same style. Armstrong wanted "Joey" to then plant these Armstrong creations in the Church's files so that Armstrong could tip off the Criminal Investigations Division of the Internal Revenue Service ("CID"), and the incriminating documents would be found in a resulting raid;

b. Sought to "set up" the defection of a senior Scientologist by finding a woman to seduce him;

c. Told "Joey" all about his conversations with Al Lipkin, an investigator for the CID, and attempted to get "Joey" to call Lipkin and give him false information that would implicate the Church's leaders in the misuse of donations; and

d. Instructed "Mike" on the methods of creating a lawsuit against the Church leadership based on nothing at all:

> **ARMSTRONG:** They can allege it. They can allege it. **They don't** even have -- they can allege it.
> RINDER: So they don't even have to have the document sitting in front of them and then --
> ARMSTRONG: F___ing say the organization destroys the documents.
>
> * * *
>
> Where are the -- we don't have to prove a goddamn thing. We don't have to prove s___t; we just have to allege it.

[Ex. 3, Farny Decl., ¶¶ 4 and 5.]

B. Armstrong Has Violated the Settlement Agreement

1. Armstrong Violated The Agreement By Providing Aid To Anti-Church Litigants Vicki And Richard Aznaran

Vicki and Richard Aznaran ("the Aznarans"), are former Church members currently engaged in litigation against, inter alia, RTC and CSI. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained Joseph A. Yanny to represent them. [Exs. 1A, 1B, 1C, 1D to Request, Substitutions of Attorney.][9]

While counsel for the Aznarans, Yanny hired Armstrong, in Yanny's own words "as a paralegal to help [Yanny] on the Aznaran case." [Ex. 1E to Request, Transcript of Proceedings in Religious Technology Center et al. v. Joseph A. Yanny, et al., LASC No. BC 033035 ("RTC v. Yanny"), p. 25.] In a holographic declaration supplied to Yanny, Armstrong admitted that Yanny called him on July 10, 1991, and asked for Armstrong's help in Yanny's representation of the Aznarans [Ex. 1F to Request, Declaration of Gerald Armstrong of July 19, 1991, ¶ 2]; that Armstrong agreed to help Yanny with the Aznarans' case; that he would travel to Los Angeles for that express purpose on July 12, 1991 [Id., ¶ 3]; and that Armstrong asked Yanny to pay him $500 for his services. [Id., ¶ 3.] Armstrong admits that he did travel to Los Angeles, did stay with Yanny on July 15 and 16, and wrote a declaration for Yanny and the Aznarans. [Id., ¶ 4.] Yanny has also admitted that he hired Armstrong as a paralegal against the Church and other related entities. [Ex. 1G to Request, Declaration of Joseph A. Yanny, July 31, 1991, ¶ 4, and Ex. 1E to Request, supra.]

Armstrong's acceptance of employment from Yanny to work on the

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[9] Yanny is former counsel to the Church parties and his substitution into the case was later vacated by the Court sua sponte, the Court noting that Yanny's retention as the Aznarans' counsel was "highly prejudicial" to CSI.

Aznarans' case patently violates Paragraphs 10 and 7(G) of the Agreement, which prohibits Armstrong from providing aid or advice to anyone engaged in or contemplating litigation adverse to the Church. [Ex. 2A, ¶¶ 7(G), 10.] The Aznarans are directly engaged in litigation with RTC and CSI, and Armstrong has provided direct assistance to them by acting as Yanny's paralegal. There could not be a clearer example of conduct which violates the letter and intent of the Agreement.

2. **Armstrong Also Violated the Agreement by Aiding Yanny in Litigation Against the Church**

After Yanny entered his appearance for the Aznarans and indicated to Church counsel that he represented Armstrong as well, the Church and two related entities sued Yanny in this Court. In that action, the Church sought and obtained a Temporary Restraining Order and a Preliminary Injunction against Yanny [Ex. 1H, Ex. 1I], enjoining Yanny from aiding, advising, or representing, directly or indirectly, the Aznarans or Armstrong, on any matters relating to the Church. In those proceedings, Yanny filed two declarations prepared and executed by Armstrong [Exs. 1J and 1K to Request] in which Armstrong asserts knowledge of settlements, including his own, which he purportedly gleaned by working as a paralegal for yet another law firm. [Ex. 1J to Request, ¶¶ 2-5]. The declarations were offered by Yanny as part of Yanny's defense, which was ultimately rejected by the Court when it issued its injunction. [Ex. 1E to Request, at 31-34.] **Just** as in the Aznarans' case, this aid provided by Armstrong to Yanny, a litigant against the Church, was a direct violation of paragraphs 10 and 7(G) of the Agreement. Moreover, Armstrong attached as an exhibit to one of the declarations, Ex. K, a copy of the Agreement, the terms of which he had agreed to keep confidential. [Ex. 2A to Wilson Decl., ¶ 18(d).] This disclosure of the terms of the Agreement is a direct violation of the Agreement.

3. **Armstrong Violated the Agreement by Helping Ford Greene with the Aznaran Case**

Armstrong is brazenly, openly and continually assisting adverse litigants and bragging about it to the Church's counsel and staff. After Yanny's substitution into the Aznarans' case was summarily vacated, Ford Greene was reinstated as the Aznarans' counsel of record. In a letter to the Church's counsel dated August 21, 1991, Armstrong admitted that he had been working at Greene's office with Greene on the Aznarans' case, helping him to prepare responses to summary judgment motions filed in that case. [Ex. 2B to Wilson Decl., p. 2.] Both Armstrong and Greene have freely admitted in sworn declarations that Greene has and is continuing to employ Armstrong as a paralegal in the Aznaran case. Armstrong himself describes these activities as follows:

> My help to Ford Greene in all of the papers recently filed has been in proofreading, copying, collating, hole-punching, stapling, stamping, packaging, labeling, air freighting, and mailing. Mr. Greene and I have had several conversations during this period, some of which certainly concerned the litigation.

[Ex. 1L to Request, Declaration of Gerald Armstrong (minus exhibits) at ¶ 18. See also, Ex. 1M to Request, Declaration of Ford Greene, ¶ 7.] Indeed, Armstrong's presence in Greene's offices has been continuous throughout December, 1991, and shows no sign of cessation. [Ex. 5, Declaration of Laurie J. Bartilson.][10]

On October 3, 1991, the Church filed a motion in Los Angeles Superior

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[10] In addition to the paralegal services Armstrong claims he provided the Aznarans, Armstrong also provided the Aznarans with a declaration, dated August 26, 1991, and filed in that case. [Ex. 1N to Request.] Armstrong's declaration describes some of his experiences with and concerning the Church, in direct violation of paragraphs 7(H), 7(G) and 10 of the Agreement, and purports to authenticate copies of documents whose contents he agreed, in paragraph 10 of the Agreement, never to reveal. [Id., Exhibits 1 and 2.]

On October 3, 1991, the Church filed a motion in Los Angeles Superior Court for enforcement of the Settlement Agreement and for liquidated damages due to Armstrong's breaches of the Agreement. In Armstrong's papers and at the hearing of the matter, Armstrong did not deny that he has committed the multiple breaches which provoked the filing of the motion, and he did not deny that his activities violated the specific provisions of the Settlement Agreement cited in the moving papers.[11] Instead, Armstrong raised the tired refrain that he had been under "duress" when he executed the Agreement. Armstrong repeatedly raised this pretense and his alleged "fear" of the Church before Judge Breckenridge, the trial judge in the earlier, settled matter. It is, however, thoroughly belied by the approval of the Agreement by Armstrong's attorney, and by Armstrong's conduct at the time he signed the Agreement.[12] If anything, Armstrong has become bolder

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reveal. [Id., Exhibits 1 and 2.]

[11] Indeed, Armstrong's response to the motion was in part to boast that not only had he committed the violations in question, he had never intended to abide by the Agreement at all. In a declaration dated November 17, 1991, Armstrong asserts that he read all of the clauses at issue here and understood their import at the time he signed the Agreement, but objected to them to his own lawyers and told his lawyers he never intended to follow them. [Ex. 1P, Declaration of Gerald Armstrong, ¶¶ 12-14.] Armstrong asserts that he "put on a happy face" and went through the charade of signing the Agreement anyway, so that he could have from the settlement the "financial wherewithal" to "get on with next phase of [his] life." [Id., ¶ 17.] Naturally, Armstrong never expressed to the Church or its lawyers that he had no intention of honoring his Agreement when he signed the papers. If he had, the Church would never have agreed to pay him anything.

[12] Moreover, the credibility of this refrain is shattered by Armstrong's own words, uttered months after obtaining a defense judgment in the original Armstrong action based on his spurious claim of being under "duress" due to his "fear" of the Church. In the November, 1984 videotaped conversations with Joey referred to above, the following exchange took place while Armstrong was discussing his plans for destroying the Church:

> JOEY: Well, you're not hiding!
> ARMSTRONG: Huh?
> JOEY: You're not hiding.
> ARMSTRONG: F--- no! And. . .

become bolder as time has passed.

The Church's showing in support of the motion to enforce the Settlement Agreement consisted of uncontroverted evidence that Armstrong had violated paragraphs 10 and 7(G) of the Settlement Agreement by:

1) Providing aid to the Aznarans in their lawsuit against the plaintiff via employment by Yanny as a paralegal;

2) Aiding Yanny in litigation against the Church by voluntarily filing declarations on Yanny's behalf; and

3) Helping Ford Greene as a paralegal on the Aznaran case, and by voluntarily providing declarations for filing by Greene in that case.

Not one word of Armstrong's opposition was devoted to challenging those proven accusations. However, the Court, the Honorable Bruce R. Geernaert presiding, did not address the merits, holding instead that there was no jurisdiction to decide the motion.

While the Church has no interest in pursuing a multiplicity of suits, Armstrong's own conduct demonstrates not an isolated incident, but an ongoing campaign, no different from his earlier campaign of hatred and harassment. With a new action now before the Court, an injunction should and must issue to preserve the Church's rights pending trial.

III. ARGUMENT

A. An Injunction May Be Granted To Prevent The Breach Of A Contract The Performance Of Which Would Be Specifically Enforced

C.C.P. § 526 empowers the court to grant an injunction to prevent a breach of a contract if the contract is one which may be specifically enforced. C.C.P. § 526; see also, Steinmeyer v. Warner Consolidated Corp. (1974) 42 Cal.App.3d 515, 518, 116 Cal.Rptr. 57, 60 ("An injunction cannot be granted to prevent breach of a contract which is not specifically enforceable."); Southern Christian Leadership Conference of Greater Los

Angeles v. Al Malaikah Auditorium Co. (1991) 230 Cal.App.3d 207, 281 Cal.Rptr. 216. The Agreement at issue is one which may be specifically enforced by this Court as the contract is sufficiently definite and certain in its terms, it is just and reasonable, the plaintiff has performed its side of the bargain, Armstrong has breached the contract, the Agreement was supported by adequate consideration, and the Church's remedy at law is inadequate. Taramind Lithography Workshop, Inc. v. Sanders (1983) 143 Cal.App.3d. 571, 575, 193 Cal.Rptr. 409, 410.

Further, while the Agreement contains a liquidated damages provision, it is a well-settled statutory principle that a contract providing for liquidated damages does not prevent the contract from being specifically enforceable. Civil Code § 3389. Accordingly, the Court is empowered to grant a preliminary injunction to enjoin Armstrong from further breach.

B. Preservation of the Status Quo and Prevention of Irreparable Injury Requires the Court to Grant Plaintiff's Application

While C.C.P. § 526(5) deters the granting of injunctions to prevent the breach of a contract "the performance of which would not be specifically enforced," this Agreement is patently specifically enforceable. Indeed, Scientology's former Mother Church, the Church of Scientology of California ("CSC"), has already obtained injunctions and specific performance of similar settlement agreements.

In Wakefield v. Church of Scientology of California (11th Cir. 1991) ___ F.2d __ (Slip Op., Exhibit 1R to Request), CSC obtained specific performance of an agreement substantially similar to this Agreement. CSC moved to enforce the provisions of the settlement agreement, and the district court ordered hearings before the magistrate judge, who concluded that Wakefield had violated the agreement. The district court adopted the magistrate judge's findings, and issued a preliminary and permanent injunction prohibiting Wakefield from violating the agreement. Id. When Wakefield violated the injunction, again making media appearances, CSC sought an order to show cause why Wakefield should not be held in contempt. At an in camera proceeding, the magistrate judge found that Wakefield had willfully violated the injunction, and recommended that the case be referred to the United States Attorney's office for criminal contempt proceedings. Id. at 4628.

Although the district court's issuance of the injunction in Wakefield was not at issue in the Eleventh Circuit proceedings, the Eleventh Circuit described in its opinion, "Wakefield's constant disregard and misuse of the judicial process," suggesting approval of the district court's actions. Id. at 4630.

Similarly, in McLean v. Church of Scientology of California (11th Cir. 1991) __ F.2d __ No. 89-3505 [separately Filed with this Court on April 28, 1992, Notice of Filing], plaintiff McLean also entered into a settlement agreement containing confidentiality provisions preventing her from discussing the litigation with anyone outside her immediate family. Id. at 2. By her own testimony, McLean admitted to reacquiring certain documents and using them to "counsel" Church members. She further admitted to discussing certain aspects of the suit with people outside her immediate family. Id. at 3. As a result, the appellate court affirmed the district court order permanently enjoining McLean from disclosing any information about her lawsuit and the resulting settlement agreement. Id. at 6.

Just as the district courts in Wakefield and McLean found it necessary to issue an injunction to enforce the agreement of the parties, so must this Court issue a preliminary injunction to enjoin Armstrong from further breaches. The status quo will be maintained and irreparable injury will be prevented only by entering such an order.

1. The Status Quo Will Be Maintained Only By Granting Plaintiff's Motion

The status quo sought to be maintained by the Church is the achievement by both sides of the benefits of the Agreement -- the status quo which existed when, in December 1986, the Church and Armstrong were fully performing their obligations under the Agreement. By repeatedly violating the Agreement, Armstrong has destroyed the peace for which the Church lawfully bargained. Absent the order the Church seeks, the damage and corruption caused by Armstrong's outright and continuing breaches of the Agreement will spread even further than it already has.

The fact that Armstrong intends to continue his transgressions and damage the Church could not be any plainer. Indeed, Armstrong has already made it overwhelmingly clear that he has deliberately breached the Agreement by his own actions in aiding Yanny and Ford Greene in litigation adverse to the Church and in his own statements made in his declarations filed in the Aznaran case. Therefore, the Church requests that the Court compel Armstrong to cease assisting parties with interests adverse to the Church and to abide by the terms of the Agreement.

2. The Church Will Be Irreparably Harmed Absent the Issuance of an Injunction

Not only is Armstrong assisting adversaries of the Church, he is doing so to foster and perpetuate relentless litigation against the Church to serve his own ends. Armstrong's conduct is continuous, oppressive and malicious and has been undertaken for the express purpose of injuring plaintiff. Only an injunction pending trial has any hope of stopping Armstrong from waging his malicious, relentless and senseless war.

C.C.P. § 526 provides that an injunction can be granted when it appears by complaint or affidavit that the commission of some act during the continuance of the action would produce great or irreparable injury to a party to the action (subdivision 2) or when it appears that a party to the action is doing, or threatening to do, some act in violation of the rights of another respecting the subject of the action and tending to render the judgment ineffectual (subdivision 3). Here, an injunction is needed to prevent Armstrong from continuously breaching the Agreement and fomenting litigation against the Church while the Church awaits trial and judgment on the merits. Although some of Armstrong's breaches are subject to a liquidated damages clause, others, including the continual violations which he is engaging in through his employment by Ford Greene, are not. It is these continual violations, which no monetary award can remedy, which the Church seeks to enjoin.[13]

C. A Balancing of the Equities Requires The Court to Grant Plaintiff's Motion

In determining whether to grant injunctive relief, the Court must balance the equities before it and exercise its discretion in favor of the party most likely to be injured. Robbins v. Superior Court (1985) 38 Cal.3d 199, 205, 211 Cal.Rptr. 398, 402. In balancing the equities, the Court considers two interrelated factors: (1) the likelihood that plaintiff will prevail on the merits; and (2) the interim harm that plaintiff is likely to suffer if the injunction is denied as compared to the harm that defendants are likely to suffer if the injunction is granted. Id. at 206.

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[13] No remedy may be available to the Churches in the form of liquidated damages in any case. Armstrong has asserted by declaration that he is insolvent, saying,

> "I have attempted to obtain an attorney to represent me specifically in the motion to enforce now before the court, but have so far been unsuccessful. I do not have the wherewithal to retain any attorney who would require a fee to defend me." [Ex. 1Q to Request.]

Armstrong's asserted insolvency made the guarantee of liquidated damages an empty promise, and renders the Churches' damage, even for these breaches, irremediable. West Coast Construction Company v. Oceano Sanitary District (1971) 17 Cal.App.3d 693, 95 Cal.Rptr. 169.

1. Plaintiff Is Likely To Prevail On The Merits

It is clear that the Church is likely to succeed on the merits. The Church has submitted an overwhelming factual showing, which provides thorough detail of Armstrong's willful injurious conduct and overt violations of the Agreement. The Verified Complaint and the Declarations of Lawrence E. Heller, Exhibit 4, and Laurie J. Bartilson, Exhibit 5, supply only a portion of the facts for the Church's likelihood of success on the merits. In addition, Armstrong's own statements, made in declarations filed in the Aznaran case, as well as his own conduct, form the best evidence that he has breached and will continue to breach the Agreement, until this Court enjoins his violative conduct.

2. The Interim Harm That Plaintiff Will Suffer Absent An Injunction Exceeds Any Harm to Armstrong If Injunctive Relief Is Granted

Armstrong has no equities whatsoever in this action. No one has any right to continue to violate a settlement agreement. Armstrong's only "injury" if he is enjoined is that he will not be able to violate the Agreement in the future. On the other hand, the harm that will be suffered by the Church absent injunctive relief is the irreparable harm of being victimized by Armstrong's violations, while others with interests adverse to the Church benefit in legal proceedings from an unfettered flow of breached obligations, wrongful disclosures and legal infidelity. Thus, the balancing of the equities unquestionably favors the Church.

IV. CONCLUSION

In December, 1986, the Church bought an expensive peace from Armstrong. Its members thought, and reasonably, that the negotiated peace was desired by both sides, and permanent, its terms both clear and fair.

Armstrong, his funds allegedly gone, has embarked on a campaign of deliberate breaches reminiscent of the very conduct plaintiff sought to end, in an obvious effort to convince the Church that it must pay for its peace in five-year installments. Such an agreement was neither contemplated nor made. By providing aid, declarations and information which he agreed to keep confidential directly to the Church litigation adversaries, Armstrong has repeatedly, deliberately and continuously breached the Agreement which he signed and for which he accepted a substantial settlement amount. Because Armstrong refuses to stop his continuous contempt for his own agreements, this Court must, on the uncontroverted evidence, much of it from Armstrong's own lips, enjoin him from further breaching his Agreement while this action is pending.

Dated: May 7, 1992

Respectfully submitted,

BOWLES & MOXON

By: Laurie J. Bartilson
Laurie J. Bartilson

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

H:\ARMSTRONPRELIM7

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Los Angeles, CA 90028

On May 7, 1992, I served the foregoing document described as AMENDED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION FOR BREACH OF CONTRACT on defendants in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz **BY HAND & TELEFAX**
P.O. Box 11
Pacific Palisades, CA 90272

Graham Berry **BY HAND & TELEFAX**
Lewis, D'Amato, Brisbois & Bisgaard
221 N. Figueroa St. Suite 1200
Los Angeles, CA 90012

[ ] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more

than one day after date of deposit for mailing an affidavit.

Executed on ____________ at Los Angeles, California.

[X] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on May 7, 1992, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie Bartley ____________________ Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Los Angeles, CA 90028

On May 7, 1992, I served the foregoing document described as AMENDED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION FOR BREACH OF CONTRACT on defendants in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Ford Greene **BY MAIL & TELEFAX**
Hub Law Offices
711 Sir Francis Drake Blvd
San Anselmo, CA 94960-1949

[x] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on May 7, 1992 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on ___________, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Carrie Barth

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

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Superior Court of California
County of Los Angeles
Los Angeles, California

CHURCH OF SCIENTOLOGY, INTERNATIONAL, etc.

Plaintiff,

vs.

GERALD ARMSTRONG, ET AL.,

Defendant.

Docket No. BC 052-395

Los Angeles, California
May 27, 1992
8:30 a.m.

MOTION FOR PRELIMINARY INJUNCTION

THE HONORABLE RONALD M. SOHIGIAN, PRESIDING

COURT RECORDER:

J.W. CRUSE

TRANSCRIPTION BY:

PARRIS TRANSCRIPTS
P.O. Box 41754
Los Angeles, CA 90041-9998
(213) 254-4157

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

contract which is very specific, breaches which are admitted and defenses which cannot be maintained. The agreement itself is in front of you. It is Exhibit A to Exhibit II of the evidence in support of the preliminary injunction. I would like to point to --

THE COURT: What specifically did it require Armstrong to do?

MR. WILSON: The paragraphs upon which we rely are paragraphs 7-D, and accurately stated, it's what it required Armstrong to refrain from doing. Because that's the issue here. It's not a mandatory injunction that we're seeking but a prohibitory injunction. Paragraph 7-D required Armstrong not to publish books, magazine articles, et cetera, writings having to do with his experience with the Church or Mr. Hubbard, to maintain confidentiality.

THE COURT: Is there any evidence that shows that he's violating any covenant not to publish books, magazine articles or writings having to do with his experiences?

MR. WILSON: Not regarding books, magazine articles or publications. But the language is a little bit more all-inclusive than that. It's a very long paragraph and it basically, in my reading of it, relates to any publications. And the declarations which Mr. Armstrong has filed are publications in our view. That's paragraph 7-D.

Paragraph 7-E --

THE COURT: Just a second. What then should he have done or not have done?

MR. WILSON: Well, what he should not have done is filed the declarations that he filed.

THE COURT: In what case?

MR. WILSON: I've got the list of declarations that were filed as the breeches, and I was going to come to that later. If you'd like me to deal with it now I will.

(Pause)

MR. WILSON: I think it would be helpful if I gave you the, all the paragraphs we relying on, because the breeches are breeches of more than one paragraph of the agreement. For example --

THE COURT: Suit yourself.

MR. WILSON: -- paragraph 7-E requires Mr. Armstrong to return certain materials and documents. The two paragraphs that are most important here are paragraph 7-G and paragraph 7-H. Paragraph 7-G requires Mr. Armstrong not to voluntarily cooperate in any proceeding with a person adverse to any of the organizations listed as Scientology organizations in the agreement, and that includes the plaintiff.

And paragraph 7-H contains the provision prohibiting testimony unless it's pursuant to lawful process. And it also contains, excuse me, a confidentiality provision with respect to the terms of the settlement agreement.

THE COURT: Okay, let's look at it and see then just exactly what the language is, and just exactly the respects in which you contend it obligates Armstrong to do or refrain from doing anything.

MR. WILSON: Which you will find --

THE COURT: Which of the paragraphs do you want me

1986 settlement agreements on the ability of the Aznarans and other individuals victimized by quote "the organization."

THE COURT: Tell me what exactly he did there? He --

MR. WILSON: Okay.

THE COURT: -- went to Yanny's house and then he did what?

MR. WILSON: Went to Yanny's house, quote "did work in his [Yanny's] office." And I can't give you the page cite because it's not numbered.

THE COURT: That's all right.

MR. WILSON: Did work in Yanny's office.

THE COURT: What does that mean? What is it that he's telling us happened?

MR. WILSON: Well, then he goes on. And I guess what he means -- we don't know exactly what he means by "work." But he says,

READING:

> "...and did write and execute a declaration on July 16 giving my knowledge of the effect of the December 1986 group settlement agreements on the ability of the Aznarans and other individuals victimized by the organization to obtain proper legal representation."

THE COURT: Now your theory is that Yanny could have telephoned him; Armstrong could have spoken with him; Armstrong would have said, listen, I can't help you, I mean I can't do anything except testify under oath in a response to a subpoena; Yanny could have put him under subpoena. Then Armstrong would have showed up and he would have said the same thing that was in the declaration, and that would be entirely proper and not subject to being restrained in any way; right?

MR. WILSON: That's right.

THE COURT: Okay. Go ahead. What else did you -- do you think the evidence shows that Armstrong did that is contrary to the terms of the agreement? You think this is a 7-G violation by the way --

MR. WILSON: Yes, I do.

THE COURT: -- what you just talked about, right?

MR. WILSON: Yes I do.

THE COURT: Okay.

MR. WILSON: If you look at the Bartilson dec -- I'm sorry, the --

THE COURT: Tell me the act and then we'll go to the --

MR. WILSON: The act is his helping Mr. Greene in the Aznaran litigation. And that is referred to in the letter to Eric Lieberman from Jerry Armstrong, which is Exhibit 5 of the Evidence in Support of the Amended Motion for Summary Judgment.

THE COURT: You contend that that was a violation of what provision of the agreement?

MR. WILSON: That's also a violation of 7-G.

THE COURT: So you think that's a 7-G violation.

MR. WILSON: Right.

THE COURT: And where do you want to look in the of Plaintiff's Amended Motion, et cetera.

THE COURT: Go ahead with your review of the evidence concerning what you think are Armstrong's acts in -- wait a minute before we do that. You contend that the declaration in the Aznaran case is a 7-G?

MR. WILSON: That's correct.

THE COURT: Go ahead with any other review of evidence concerning acts that you contend Armstrong has committed which you contend to be in violation of the --

MR. WILSON: He gave --

THE COURT: -- agreement and which should be restrained, and give your agreement citation.

MR. WILSON: That is -- another one would be the declaration of Gerald Armstrong dated 7-16-91 in the Yanny case. That is Exhibit 1-K in the same packet, right before the -- actually, as long as you're looking, it's J and K; they're both declarations of Armstrong, dated 7-16-91. And whether we want to consider them one violation or two appears to me to be of very little consequence.

THE COURT: Well, let's take Exhibit K. That talks about a conversation to which Armstrong claims he was a witness which allegedly occurred on July 16, 1991.

MR. WILSON: Correct.

THE COURT: Your view is that he would prohibited from doing that?

MR. WILSON: My view is he's prohibited from voluntarily giving a declaration. It's not that he's --

THE COURT: Well, do you mean to say that there need be no nexus between Armstrong's behavior on the one hand and something having to do with information that he has because of his affiliation with your client on the other hand?

MR. WILSON: Like --

THE COURT: In other words, if somebody -- let's say that this is what's happening. Let's say that there is a lawsuit in which your client is involved and he is a witness to something but it does not depend on his having preexisting information concerning your client. Let's assume for example that he's here in court and a lawsuit is going on. And on the way out the lawyers get into a fight. One of the lawyers says, look Armstrong, give a declaration will you to show that the other fellow took the first punch and he says, well all right, I'll do it. And he does.

The lawyer who asks for the declaration is adverse to Scientology and adverse to -- in that lawsuit, and adverse to the other person who hit him. Your contention is that that would be improper?

MR. WILSON: Well, to be honest with you, I haven't thought of that particular situation.

THE COURT: The reason you haven't thought of it is because the language in the agreement is susceptible of potentially indeterminate interpretations; correct?

MR. WILSON: Well, I suppose you could say that. I don't believe it's susceptible to those determinations. I think that if Armstrong is aiding persons adverse to Scientology he's not supposed to do that and if he's doing it, and let's use your hypothetical. If the lawyer wants to use

Mr. Armstrong's testimony all he has to do is take a deposition. You can take any agreement and make a hypothetical that perhaps wasn't intended to be covered by the language but which is in fact covered by it.

THE COURT: Well no, what we're trying to do is we're trying to construe the agreement reasonably so that we know what it means to quote "voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations" and so forth, end quote. Voluntary assistance or cooperation doesn't mean voluntarily assistance or cooperation which doesn't trade on some special talent or skill that Armstrong has.

What if, for example, there's a lawsuit between Scientology on the one hand and the Red Cross.

MR. WILSON: Your Honor --

THE COURT: Armstrong gives money to the Red Cross. He says I think it's good, I think people ought to be helpful when they have floods. You certainly wouldn't be able to beef about --

MR. WILSON: Obviously --

THE COURT: -- that, would you?

MR. WILSON: Obviously not. I mean, obviously the intent of the agreement was that there had to be some connection between what Armstrong was doing and what he had previously been involved with with the organization. And in this declaration there really is. I mean, he's with Yanny because of his previous connection with the organization. He's helping Yanny because of his previous connection with the organization; he's not helping Yanny because he just happens to be there, as in your hypothetical where he just happens to be in court. I think that is a distinction that needs to be made.

THE COURT: The distinction that I would make, the question is whether the contract makes that distinction.

MR. WILSON: Well, the contract doesn't explicitly make that distinction but it says "voluntarily aiding persons adverse to Scientology." And I think in your hypothetical, particularly the Red Cross hypothetical, obviously there has to be some reasonable construction of the contract. And no contract -- I mean I submit to Your Honor that any contract can be -- you can do to any contract what you did with this hypothetical to this one. You can make a hypothetical that is not covered by it but that obviously the parties entered into it would not contend the situation applied. There's -- we would not go to court and try to restrain Mr. Armstrong from giving money to the Red Cross.

THE COURT: What other acts do you contend the -- so you contend this is a 7-G violation?

MR. WILSON: That's right.

THE COURT: What other acts do you contend the evidence shows Armstrong committed in what you claim to be a violation of the agreement which under your client's theory --

MR. WILSON: I think that --

THE COURT: -- ought to be restrained?

(Counsel Colloquy)

MR. WILSON: I believe that Exhibit E to Mr.

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MAY 15 1992
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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	CASE NO. BC 052 395 (Marin County Sup. Ct. Case No. 152 229 OPPOSITION TO MOTION FOR PRELIMINARY INJUNCTION DATE: 5/14/92 TIME: 8:30 A.M. DEPT: 86 No Trial Date No Discovery Cut-off No Motions Cut-off

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By this Motion, Plaintiff, Scientology, seeks the type of judicial stamp of approval over an obstruction of justice so criticized in Mary R. v. B & R Corporation, (1983) 196 CR 781, 149 Cal.App.3d 308, i.e. in order that witnesses cannot communicate to parties in litigation. [1]

I. PROCEDURAL HISTORY

1. In 1984 the Honorable Judge Paul C. Breckenridge, Jr., now retired, tried a complaint (Ex. 1-B)[2] by Scientology against Defendant Armstrong (Armstrong I, Case No. C 420153), claiming conversion of numerous Scientology documents that revealed falsehoods by Scientology concerning the life history of its founder, L. Ron Hubbard, and revealed crimes by Scientology against individuals and public entities. Included were certain tape recordings of Scientologists and their lawyers planning I.R.S. tax frauds [3] Judge Breckenridge ruled (Ex. 1-B; Ex. A,) that Armstrong's taking of the documents was proper because of

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[1] Many Appellate Court decisions have noted Scientology's "litigious" history. Scientology v. Tax Comm., (1984) 124 Misc. 2d 720.

[2] EX "I" series refers to exhibits (in which Ex. I- 1 requests judicial notice thereof) in Evidence in Support of Defendant's Opposition to Scientology's Motion for Preliminary Injunction Vol I and Vol II filed 3-16-92. Ex "2" refer to exhibits to declaration of Gerald Armstrong filed 3-16-92. "Ex" without numbers refer to additional exhibits filed with this brief in case prior filings are lost and for court convenience.

Armstrong incorporates the brief of Amicus Yanny.

[3] For discussion of content see United States v. Zolin, (6/20/90) 90 Daily Journal D.A.R. 6890; United States v. ZOLIN (9th Cir. 1987) 809 F.2d 1411; United States v. Zolin (1980) 109 S.Ct. 2619).

Scientology's practices of "fair game" (authorization to harass or destroy its enemies).[4] Specifically, Judge Breckenridge wrote (Ex.1-G;Ex A, pp 7-9):

> **"As indicated by factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Howard Schomer[5] to be credible, extremely persuasive. . . The picture painted by these former dedicated Scientologists, all of whom were intimately involved with... the Scientology Organization, is on the one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH, and his ideas. Each has manifested a waste and loss or frustration which is incapable of descriptin. Each has broken with the movement for a variety of reasons, but at the same time, each is, still bound by the knowledge that the Church has in its possession his or her most inner thoughts and confessions, all recorded in "pre-clear folders" or other security files of the organization, and that the Church or its minions is fully capable of intimidation or other physical or psychological abuse if it suits their ends. The record is replete with evidence of such abuse.**
>
> **" . . . In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization clearly is schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile.**

" 2. Following, Scientology entered into a written settlement with Armstrong on his pending cross-complaint for harassment, the subject of this request for a restraining order.

3. The contract (Ex 2-D; D) is designed to obstruct justice,

---

[4] See Footnote 27, infra.

[5] Note these are the same witnesses that subsequently appear on the contracts that require these witnesses not to cooperate, testify, or be interviewed by adverse Scientology litigants (Ex. 1-g; Ex. C). In said Exhibit, there are no "fees and expenses" for the first six listed. These individuals were brought into the "global" settlement and paid monies, despite having no litigation.

eliminate the "findings" of Judge Breckenridge (Ex 1-X), and prevent such findings from re-surfacing again in litigation.

4. First, the decision allowed for an appeal to continue on Judge Breckenridge's ruling wherein Defendant Armstrong would file no further oppositions thereto. (See paragraph 4A, Ex. 2- D; D). A side agreement made between Scientology lawyers and Michael Flynn, who represented Armstrong, provided if a new trial occurs Scientology would limit its damages against Armstrong to $25,000, which would be reimbursed through Scientology lawyers to Michael Flynn (Exh. D2). Needless to say, neither Judge Breckenridge, nor the Court of Appeals was so advised of this collusion.[6]

5. Second, the next obstruction provision states Defendant Armstrong will not speak to, assist, be interviewed by, or attend any trial on behalf of, any adverse Scientology litigant. Further, he is to make himself non-amenable to service of process. (Ex. 2-D; D, paragraphs 7G, H, I) [7]

6. Third, the agreement called for the return of all

---

[6] See 12-11-86 transcript (Ex. 1-J, p. 2). Plaintiff attorney, Larry Heller, in his declaration, attempts to further this collusion by stating "only Armstrong's cross-complaint was involved in the settlement." Dec. of Heller in support of Motion for Preliminary Injunction, Ex. 4 at

[7] This agreement was part of the "global" settlement with everyone who testified on Armstrong's behalf. Some had filed lawsuits, others made no claims (Exhs.C,G). Thus, Scientology purchased the silence of all its adverse witnesses. The rulings that ultimately this court makes will extend beyond just the parties. It will extend to all other unfortunate witnesses, who are afraid to talk for fear of civil lawsuits and restrainingorders such as being presented here, and more important it will affect the many individuals, organizations, and governmental agencies who are continually sued by Scientology. Attorney Ford Greene and the undersigned, see our client as not just Mr. Armstrong, but the judicial system itself.

Scientology documents indicating Hubbard had lied about his history and describing Sicentoloty crimes, despite Judge Breckenridge ruling Armstrong could keep and freely discuss them (Ex I-G at p3).[8] The purpose was to keep the documents from other litigation and out of the court file. The Department of Justice and the I.R.S. were aware documents included plans of an I.R.S. fraud (see Zolin, fn, p. 2, paragraph 1; 90 D.A.R. 6890 June 20, 1990 Ex 1-KK). The government had instituted litigation to obtain these tapes over claims of attorney/client privilege (ultimately they succeeded, Zolin, supra). The herein agreement called for Armstrong's assistance in returning these tapes to Scientology in any way possible (Exh. D, paragraph 7E).

7. Seven years later, Scientology brought an action in Armstrong I (Ex 1-FF) seeking the identical restraining orders sought herein. The Honorable Judge Bruce R. Geernaert (Judge Breckendrige retired) on December 23, 1991, [9] having reviewed the same papers before this court, denied injunctive relief. He did so

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[8] Early in Armstrong I Plaintiff attempled to silence Armstrong by injunction (Exs. I-D, I-D-1, I-D-2).

[9] This Motion was an attempt to circumvent the order of Judge Raymond Cardenas in Department 4 made in the case of Religious Technology Center, et al v. Joseph Yanny (an attorney). Mr. Yanny is accused in said action of being a former Scientology attorney who is giving legal advice to Mr. Armstrong. Scientology brought an injunction against Mr. Yanny to prevent legal services, etc. to the herein Defendant. Judge Cardenas ordered an injunction against giving legal services, noting that Mr. Yanny cannot be harmed since he has denied he did the same. Specifically, the court noted that Mr. Yanny was free to talk to Mr. Armstrong, and to gather evidence from Mr. Armstrong in preparing his case (Exh. E, pp 4 and 6). The T.R.O, however, granted by Judge Dufficy on March 23, 1992 (Exh. B), prevents Judge Cardenas' order in Yanny from being implemented, thus violating Mr. Yanny's rights to defend himself (Exh. E).

on the grounds that while the record is clear Judge Breckenridge was to be provided a copy of the settlement agreement, he never, in fact, was (See Minute Order, Exh. D1) and never read it. In so ruling he made a factual finding Judge Breckenridge never read it, because he would not have approved it, the same violating public policy (Ex. 1-T; Ex. F, p. 52).

8. Specifically, Judge Geernaert stated:

> **"And I make sure that it is the kind of clear and concise order that can be the subject of a contempt proceeding. So my belief is Judge Breckenridge, being a very careful Judge, follows about the same practice and if he had been presented with the whole agreement and if he had been asked to order its performance, he would have dug his feet in because that is one of the -- I have seen -- I can't say --I'll say one of the most ambiguous, one-sided agreements I have ever read. And I would not have ordered the enforcement of hardly any of the terms had I been asked to, even on the threat that, okay, the case is not settled.**
>
> **I know we like to settle cases. But we don't want to settle cases and, in effect, prostrate the court system into making an order which is not fair or in the public interest.**
>
> **So basically, I have to conclude based on the record that there was no order; simply, he wasn't presented the order. He was not asked to order its performance. He didn't order its performance (Ex. 1-T; F, p. 52)."**

9. Scientology then re-filed for the same relief per a breach of contract theory in Marin County (Armstrong II). Marin County transferred the herein case back to Los Angeles. [10]

10. Scientology then moved the court in Department 85 for a Preliminary Injunction scheduled for April 28, 1992. After Defendant Armstrong filed a Notice of Related Case, Department 1 re-assigned the herein action (Armstrong II) back to Judge Geernaert. Not surprisingly, on April 28, 1992, Scientology served

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[10] Before doing so, Judge Dufficy signed a T.R.O. without addressing the merits (Exh. B, pp. 4 and 7). Scientology also **falsely** told Judge Dufficey Judge Breckenridge approved the agreement. See Plaintiff's P&A's, p11, 15-6.

Judge Geernaert a previously prepared 170.6 affidavit, sending this case to Dept 86.

II. OBSTRUCTION OF JUSTICE

11. There are clauses, other than what is mentioned above, in the subject contract, and in the request for injunctive relief, denying Defendant Armstrong freedom of speech, i.e., the right to comment on his 17 years of his life. Our opposition is the contract resulted from duress, mistake, unfair pracrtices improper legal representation (Armstrong's attorney, Michael Flynn was also a plaintiff against Scientology, and received payments of over $1,000,000 when he and his clients signed these agreements, Ex. 2-L; Ex. C), is overbroad, vague[11], not mutual,[12] not proper subject of equitabale remedy, restrains trade[13] and because freedom of speech cannot be enjoined. [14] If, in fact, a lawful contract has

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[11] Long Beach Drug Co. v United Drug Co.13 Cal2d 158; Lind v Baker48 C2d 234; Hunter v Sup. Ct. 36 CA2d 100; Tamarind Litho v Sanders 143 CA3d 571, 575.

[12] Plaintiff argues it may speak of Armstrong in libelous terms, i.e. Armstrong planted forged documents in Scientology, but Armstrong must remain silent to the charges. (Ex 1-DD at p. 14; Ex 2-E thru K; Ex 1-EE). Plaintiff is thus **estopped.** Mattei V. Hooper (58) 51 Cal2d 119, 122; Lorwin v Southern Calif. & IGB Inv.Co. 101 CA3d 606, 637; Harpee v. Goldschmidt 156 C. 245.

[13] The agreement is also an illegal restraint on trade. B&P 16600

[14] "The loss of First Amendment freedoms, for even **minimal periods of time**, unquestionably constitutes irreparable injury." Elrod v. Burns (1976) 427 U.S. 347, 373-74, 49 L.Ed.2d 547; C.B.S., Inc. v. U.S. District Court (9th Cir. 1984) 729 F.2d 1174, 1177, 1183. The requested injunction is a forbidden prior restraint. Nebraska Press Asoc v. Short 427 US 539, 559; Organization For a Better Austin v Okeefe 402 US 415.

been breached, the remedy is damages. [15]

12. Most important, the contract illegally attempts to prevent testimony in any litigation involving Scientology.

A. THE CONTRACTS VIOLATE PUBLIC POLICY

13. As stated, Judge Bruce R. Geernaert already ruled on the violation of public policy, i.e.[16] Judge Breckennridge never read or made an order based upon the agreement, finding Judge Breckenridge never would approve the agreement, even if it ended settlement, because the agreement violated public policy. [17]

14. Public policy has been defined as **"anything which tends to undermine that sense of security for individual rights, or personal liberty or private property, which any citizen ought to feel is against public policy."** Safeway Stores v. Hotel Clerks etc. Association, 41 Cal. 2d 567, 575, 261 p2d 721 (1953).

15. Public policy prevents contracts to suppress facts from judicial proceedings. In Mary R. v. B & R Corporation, (1983) 196 CR 781, 149 Cal.App.3d 308, a trial court approved settlement stipulation not to discuss events was set aside when the attorney general's office sought to investigate. The appellate court held that placing a witness under fear prohibited lawful investigation and **"A law established for public reason cannot be waived or circumvented by a private act or agreement."**

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[15] The agreement calls for liquidated damages though the Defendant challenges the legality of same. (Exh. D, paragraph 7D).

[16] See companion Request for Judicial Notice and Application of Collateral Estoppel.

[17] See paragraph 8, Supra; see Request for Judicial Notice filed with this brief.

16. In Tiedje v. Aluminum Paper Milling Co., 46 C. 2d 450, 454, 296 P2d 554 (1956), the court explained the principles of public policy are in "**regard for a higher interest -- that of the public, whose welfare demands that certain transactions be discouraged.**"[18]

B. THE FACT THE AGREEMENT IS PART OF A SETTLEMENT AGREEMENT IS IRRELEVANT

17. Mary R., supra. This case and People v. Dean Richard Pic'l, 31 Cal. 3d 731, 183 Cal. Rptr. 685, 646, p. 2d 847 (1982) (see infra) dictate no court can order the injunction sought.

18. In Mary R., the Appellate Court reversed a trial approved settlement wherein plaintiff could not discuss her complaint against a doctor, calling it a "**ploy obviously designed by the physician to aid him to avoid the professional regulation . . .**" and putting a judicial approval on an act to obstruct justice. Defendant asks this court not to do the same.

19. Civil lawsuits are brought under color of law, and Defendant has the same right to investigate as did the BMQA in Mary R.

20. The United States Supreme Court in Precision Co. v. Automotive Co., 324 U.S. 806 (1944) ruled invalid settlement contracts seeking to secure silence in future litigation. During an initial battle for patents, Automotive learned certain testimony was perjured. Instead of revealing the fraud, Automotive procured an outside settlement agreement with the perjurer, barring him from

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[18] See also Brown v Freese 28 Ca2d 608; Allen v Jordanos 52 CA3d 160; Agron v Shapiro 127 CA2d Supp 807, 273 P2s 631; Morey v Paladini 187 C. 7272, 738.

every questioning the validity of Automotive's patent. Through its settlement agreement Automotive procured silence. The Supreme Court stated the issues reached beyond the litigants and affected the public at large:

> "The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope. The facts of this case must accordingly be measured by both public and private standards of equity. And when such measurements are made, it becomes clear . . .Automotive knew and suppressed facts that, at the very least, should be been brought to the attention of the patent office, especially when it became evident that the interference proceedings would continue no longer . . . "

20. In Fong v. Miller, 105 Cal. App. 2d 411, 233 p2d 606 (1951) enforcement of such settlements was denied:

> "Appellants bitterly complain that the court's action leaves the Respondent unjustly enriched. The complaint is a familiar one, it is generally made by those who, deeming themselves wronged by their companion in illegal ventures, find themselves denied of any right to enforce their unlawful agreements. Their pleas have always been unavailing. This rule is not generally applied to secure justice between parties who have made an illegal contract, but from regard for a higher interest -- that of the public,whose welfare demands that certain transactions be discouraged." (at 414-415).

21. And, in Tappan v. Albany Brewing Co., 80 Cal. 570, the court invalidated a settlement agreement stating:

> "It was contended by the Respondent that this was nothing more than a payment of a sum of money by way of a compromise of litigation, and that such contracts have been upheld. We do not so construe the agreement. It was a promise to pay... for the concealment of a fact from the court and the parties material to the rights of said parties, and which it was her duty to make known. Such a contract was against public policy . . ."

22. And in Keystone Co. v. Excavater Co., (1933) 290 US 240, the United States Supreme Court stated (at 247):

> "While it is not found, as reasonably as it may be inferred from the circumstances, that from the beginning it was Plaintiffs' intention through suppression of clutter's evidence to obtain decree in the Byers case for use in subsequent infringement suits

against these Defendants and others, it does clearly appear that the Plaintiff made the Byers case a part of its preparation in these suits. The use actually made of that decree is sufficient to show that Plaintiff did not come with clean hands with respect to any cause of action in these cases."

C. SETTLEMENT AGREEMENTS ARE A FELONY BOTH UNDER CALIFORNIA AND FEDERAL LAW

23. California Penal Code Section 138 provides payment to a person upon "any understanding or agreement" the person should "not attend" a trial is a crime. Similar language is in 18 U.S. Ca Section 201 (b) (3) and 18 U.S. Ca Section 201 (c) (2).

24. In People v. Dean Richard Pic'l, 31 Cal. 3d 731, 183 Cal. Rptr. 685, 646 P. 2d 847 (1982) the California criminal statute was applied against an attorney creating such an agreement on behalf of his client. Therein it was noted that an agreement to refuse to testify by doing **"everything within my power"** was a crime.[19] The California Supreme Court stated:

> **"There is, of course, no talismanic requirement that a Defendant must say 'don't testify' or words tantamount thereto . . . as long as his words or actions support the inference that he. . . sought to prevent or dissuade a potential witness from attending upon a trial . . . a Defendant is properly held to answer (Citations.")**[20](at 740)

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[19] This is exactly what has occurred herein. The contract calls for Armstrong to do everything in his power, even to avoid being amenable to service of process. As stated in Section II D, the fact that one would have to testify if subpoenaed just acknowledges something beyond even Plaintiff's power. In all of the cases cited under Section II, including Pic'l, the deponent could have been subpoenaed and could have been ordered by the court to testify. The crime, or the public policy violation, is the contract to do whatever one can to avoid cooperation, testifying, or attending a trial.

[20] **Graham Berry, counsel for amicus curae, Joseph Yanny, in his brief, page 6, Footnote 4, noting the bizarreness of this motion, cites Alice in Wonderland. Certainly, the status of this case is "upside down." The question should not be whether or not Armstrong should be restrained from**

D. POWER TO SUBPOENA

25. Plaintiff will argue there is no obstruction of justice because witnesses may be subpoenad and there is no Constitutional right to interview witnesses. But a Defendant does have a Constitutional right to a **fair** trial, the right to interview witnesses who want to be interviewed.[21]

26. Judge Geernaert also noted the vagueness of the requirement not to be amenable to service, stating (Ex F,p22):

> **". . . but I'll put it this way -- does that mean that if I were to issue an injunction, then we could have a contempt hearing if he was at a restaurant and the process service came in and he didn't jump up and run away?**
>
> **It is a concept that I feel uncomfortable putting into an order, even though the parties put it into their agreement."**

27. Imagine if this case was set for trial, and Scientology went to all defense witnesses and said here's $10,000 each to get out of town. Is it less an obstruction of justice because Defendants have subpoenaed power? Does it matter the obstruction is part of a settlement?

28. That the contracts say Armstrong may testify when subpoenaed (however, they are suppose to avoid process), is surplusage. It is illusory. It makes no difference if the agreement said, "you can't testify even if you are subpoenaed"

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voluntarily testifying at any litigation, but whether or not all Scientology lawyers, officers, directors, and employees who participated in the creation, execution, or attempted enforcement of these provisions, through either threats or litigation, should be referred by the court to proper authorities for criminal prosecution.

[21] These agreements are also ambiguous. For example, if a former spouse seeks custody of a child of a parent residing in Scientology, is this adverse?

because Scientology does not have power to override a subpoena. In cases cited above in which contracts were found unenforceable, (andin the criminal prosecution of Attorney Richard Pic'l), the witness always still could have been subpoenaed. It was an obstruction of justice to agree in substance "to do everything you can" to avoid testifying. [22]

29. To cause witnesses to be interviewed only by deposition is too big of a burden on a non-insured defendant. A defendant has a right to prepare his defense and interview his witnesses in private. It is not the same to say he can go take a deposition with the other side looking over his shoulder, objecting and moving for protective orders. [23]

30. Further, many defendants reside outside California and cannot be subpoenaed to trial. The expense of video-taping depositions out of state is enormous, nor is the affect the same. All of this obstructs justice.

31. An additional loser is the courts. Imagine a trial where Defendant places ten unprepared, non-interviewed witnesses on the stand and begins fishing-type depositions in front of a jury.[24]

---

[22] See discussion of Pic'l, supra.

[23] In one case, when witnesses subject to these agreements were subpoenaed, Scientology moved the court to quash the deposition subpoenas on the grounds that they violated the "spirit" of these agreements (Ex.1-CC; Ex. G).

[24] The court, most assuredly, would ask why weren't these witnesses interviewed so relevant questioning could commence. "Well, your honor, we tried, but they were paid money not to speak to us. We're sure they have relevant testimony; we just don't know what it is."

III. HISTORY

32. In the early 1980's eleven heads of Scientology were sentenaced for conspiracy to obstruct justice.[25]This criminal prosecution produced many Scientology documents which revealed plans to frame governmental officials and other perceived enemies.[26]

33. Other cases confirmed Scientology's "fair game" against its enemies.[27] Scientlogys's intent is to prevent judicially credited witnesses from further testifying. It is respectfully submitted, this court should not approve any obstruction against witnesses being interviewed by defendants in other litigation.[28]

---

[25] The guilty included Hubbard's wife. Hubbard could not be found. Kendrick Moxon, one of the attorneys for the Plaintiff, in a stipulated record of evidence, was noted to have provided the F.B.I. with a bogus fingerprint sample of a key Scientologist involved in the covert operations (Exh. H).

[26] The records of these accounts can be verified by reading the affirming decisions in Church of Scientology of California v. Commissioner of Internal Revenue, (1987) 823 F.2d 1310; Church of Scientology v. I.R.S., 792 F.2d 153; In Re Search Warrant 572 F.2d 321; United States v. Heldt, 668 F.2d 1238; United States v. Hubbard, 493 F.Supp. 209.

[27] See Allard v. Church of Scientology, 58 Cal.App.3d 439; Christofferson v. Church of Scientology, 644 P.2d 577; Church of Scientology of Calif v. Commissioner of Internal Revenue, 823 F.2d 310; Wollersheim v. Church of Scientology of California, (1989) 260 CR 331; 212 Ca3d 872, 880, 888-89, pet. for cert. granted, vacated on ohter grounds, on remand 92 D.A.R 3831 March 24, 1992;Church of Scientology v. Armstrong, (1991) 232 Cal.App.3d 1060.

[28] Plaintiff relies on a non-citable slip opinion in Wakefield v. Church of Scientology. The opinion does not state what the contract provides, nor what is restrained. Wakefield was not represented by counsel and did not participate in the appeal (brought by St. Petersburgh Tiimes). It is not California law. See Declaration of Ford Greene on the Subject of Wakefield v Church of Scientology of California filed 3-19-92.

IV. SCIENTOLOGY HAS WAIVED THIS REMEDY

34. In paragraph 20 of the subject agreement (Exh. 2-D; Ex. F), written by Plaintiff, states the court in Armstrong I shall retain jurisdiction as the selected forum to enforce the agreement. That is where Scientology went. Judge Geernaert, however, refused to make any order enforcing the agreement because, despite contrary orders, Judge Breckenridge was never given the settlement document to read or review; and by finding Judge Breckenridge would have rejected the settlement, because it violates public policy (Exh. 1-T; Ex. F, p. 52).

35. In other words, Scientology chose Armstrong I as the forum for hearing any motion for injunction or other relief under this contract. The court in Armstrong I denied such relief for enforcement because Scientology had failed to abide Judge Breckenridge's orders to provide the settlement agreement to the court, and because the contract violates law. Thus, by the terms of its own agreement, and by failing to follow the orders of Judge Breckenridge, Scientology lost the right of enforcement.

Respectfully submitted,

Date: May _____, 1992

PAUL MORANTZ and
FORD GREENE
Attorneys for Defendant

PROOF OF SERVICE BY MAIL

I am a resident of Los Angeles County, am over the age of eighteen, and not a party to the herein action. My business address is P.O. Box 511, Pacific Palisades, California 90272.

On May 6, 1992, I served the within Exhibits to Opposition for Motion for Preliminary Hearing and on May 7, 1992 I served the Opposition to Motion for Preliminary Hearing on the parties by placing a copy of the same in a sealed envelope with postage thereon and placed the same in the United States mail at Pacific Palisades address as follows:

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, CA 94104

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, CA 90028

Graham E. Berry
LEWIS, D'AMATO, BRISBOIS & BISGAARD
221 North Figueroa Street
Suite 1200
Los Angeles, CA 90012

I declare that the above is true under the penalty of perjury. Executed on May 6, 1992, at Pacific Palisades, California.

Paul Morantz

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IN AND FOR THE SUPERIOR COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

ORIGINAL

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

Case No. BC 052395

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

RECEIVED
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HUB LAW OFFICES

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

A. So I had discussed my reasons with many people.

Q. Okay. And can you --

A. But I had not linked that to the settlement or to the terms or to anything.

Q. Okay. I understand.

A. Okay.

Q. Can you give me the names of some of those people? Can you give me the names of all those people that you can remember?

MR. GREENE: Object, right to privacy.

MR. WILSON: Q. You can answer the question.

MR. GREENE: Also, the objection is based on the right to associational liberty.

THE WITNESS: Yeah, I think I would decline. I can guarantee you there that it was, as with the earlier statement, aside from acquaintances who I may have met for a few minutes, all of my friends, all of my family, hundreds of people outside of that group, I discussed those reasons and my history.

MR. WILSON: Q. And you refuse to give me the names of those people; is that right?

A. It's unfair to have to do so. I've let you know that I have talked to endless people about those made the contention that he entered into that settlement agreement under duress. And that, in fact, his representation that he wasn't under duress both in writing and on videotape were false.

So the discussions that he had with the people whose names he refuses to give me would also possibly, and we won't know if we don't ask them, lead to evidence which would be relevant on those points as well.

MR. GREENE: With respect to the --

MR. WILSON: I'm also not interested in arguing about it on the record. I just want to make it clear what the relevancy is. I don't want to clutter up the record anymore than it's already being cluttered up.

MR. GREENE: No matter what we don't have, I don't think we'll have a clean record.

MR. WILSON: He could just answer the questions. That's possible.

MR. GREENE: If they were proper questions, that's correct.

MR. WILSON: They are proper questions and you know it.

So you will not reconsider your position and you will continue to instruct the witness not to answer that question on the grounds stated; is that right?

MR. GREENE: Our position has been stated.

MR. WILSON: I just want to make it clear.

MR. GREENE: The record is clear, Mr. Wilson, let's not clutter it up.

MR. WILSON: I'm trying to make sure it is clear.

Is it accurate you will instruct Mr. Armstrong not to answer the question on the grounds of relevence, on the grounds of associational liberty, and whatever else you said earlier; is that right?

MR. GREENE: Correct, with the whatever else, absolutely.

MR. WILSON: Q. Now, it's my understanding that you were flown to Los Angeles just prior to the signing of the settlement; is that accurate?

A. Right.

Q. And where were you flown to Los Angeles from?

A. Boston.

Q. Were you living in Boston at the time?

A. Yes.

Q. And what was your occupation in Boston?

A. I was a writer, artist and paralegal.

Q. And who were you a paralegal for?

A. Michael Flynn.

Q. And Michael Flynn was the lawyer that represented you?

A. Right.

Q. And in working as a paralegal for Mr. Flynn, what were your duties?

MR. GREENE: Objection, irrelevant.

MR. WILSON: Well, the relevance of it is that it's the type of work that Mr. Armstrong was doing, specifically working on cases against what he perceives to be the organization that the settlement agreement was designed to end. So obviously, it's relevant to show that's what he was doing at the time.

MR. GREENE: And then also the objection going into that realm would be attorney work product privilege and attorney-client privilege, which gets you in a bad spot. Don't answer that question.

MR. WILSON: I'm not asking him what he did, I'm just asking him generally what his duties were.

For example, his duties might have been cataloging document. His duties might have been summarizing depositions. That doesn't invade attorney work product or attorney-client --

MR. GREENE: Potentially does.

MR. WILSON: Would you like to explain to me how that possibly does?

MR. GREENE: Not at this time.

MR. WILSON: I take it no matter how many discussions we have on that point, you'd continue to make this objection?

MR. GREENE: I stated --

MR. WILSON: What I'm trying to do is find out, work out a way without the necessity of a motion to compel.

MR. GREENE: I understand that, Mr. Wilson, and I appreciate that.

My response to you was with response to an effort to work that out.

Let's proceed with the deposition, get the information you can.

In the areas you're not satisfied with, then subsequently we can meet and confer on preliminary to you having to file any motion to compel.

Now, I'm not going to do that now.

MR. WILSON: So you refuse to do that now?

MR. GREENE: Yes.

MR. WILSON: Okay.

MR. GREENE: Which is not to say that I would refuse to do it later.

MR. WILSON: Q. So you will not tell me

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this_____day of______, 19____

JUL 09 1992

CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

1570

IN AND FOR THE COUNTY OF LOS ANGELES

--oOo--

COPY

CHURCH OF SCIENTOLOGY INTERNATIONAL,
a California not-for-profit religious
corporation,

Plaintiff,

vs. No. BC 052395

GERALD ARMSTRONG; DOES 1 through 25,
inclusve,

Defendants.

RECEIVED
AUG 21 1992
HUB LAW OFFICES

DEPOSITION OF
GERALD ARMSTRONG

Wednesday, July 22, 1992

Volume II, Pages 179 - 293

REPORTED BY: KATHERINE NG, CSR NO. 6350

there haven't been any communications with the Aznerans.

Q. Okay. All right. When was the last time you worked on the Azneran case as a paralegal?

A. Well, again, if by that you mean that because I'm a paralegal I answered the phone when Vicky was calling, am I working on the Azneran case as a paralegal?

If you say that that's not the case and that's not the way you construe paralegal activity with regard to a case, then I would say that it's quite some time ago.

Q. That's how I do understand paralegal activity. It's not just that you answer the phone.

A. So it's not just clerical duties that I would do with any, any case?

Q. I will define it this way. If you answer the phone because one of your duties is to answer the telephone in the office, that is not a part of your duties as a paralegal on the Azneran case.

But if you summarize a deposition, if you prepare pleadings, if you file pleadings, it's a paralegal duty. If you type pleadings, it's a paralegal duty.

A. Right. None of those things.

Q. When you say "quite some time," can you give me a little bit more specifics on that and how long has it been since you have done any paralegal work on the case?

A. Boy, I think probably, I think probably September '91.

Q. Okay. Of course paralegal duties would include communications from the Aznerans. Except if the communication was "have Mr. Greene call me," I wouldn't consider that a paralegal duty. But if the communication was anything substantive with regard to the case, I would consider that a paralegal duty, so would that change your answer? Since September of '91, have there been any substantive communications about the case with the Aznerans without revealing the communcation?

MR. GREENE: That's fine. Go ahead and answer it.

THE WITNESS: Okay, then the answer is no.

MR. WILSON: Q. Getting back to this declaration, paragraph 3, and the sentence that goes from line 27 onto line 1 through the end of the paragraph which is on page 2 at line 2, you say, quote,

> "In that declaration, I waived" -- and you refer to a previous deposition -- "I waived the attorney-client privilege between Mr. Flynn and me only to our conversations concerning the settlement, and I reiterate that waiver at this

or months after it happened that you became aware of it?

A. Probably weeks.

Q. And you are aware now that Mr. Greene has again been associated as associate of record in that case?

A. Right.

Q. And I take it you were aware of that fact approximately at the time it happened?

A. Yes.

Q. And in the intervening period when Mr. Greene was not counsel of record, I take it you did no work on the Azneran case at all?

A. Again when you say no work on the Azneran case, we're using the same definition of paralegal?

MR. GREENE: Gerry, it's a simple question and again it's a "yes" or "no" answer.

THE WTINESS: In that I received phone calls at that time or relayed phone calls then which may have related to the Azneran case, then, yes, I did.

MR. WILSON: Q. It's possible that you may have relayed a phone message that related to the Azneran case; is that right?

A. Right.

Q. Except for that, have you done any work on the Azneran case?

A. Except for phone messages?

Q. Right.

A. Routed or logged, mailed articles.

Q. Would that be the same way a receptionist or secretary would send mail around the office?

A. Exactly, right.

Q. And except for that, have you done anything related to the Azneran case?

A. I believe that anything I have done relating to the Azneran case has been that sort of office clerk, secretary in nature.

Q. Can you remember any of the specific things that you have done, whether they're office clerk, secretary or not?

MR. GREENE: And just a sec, can we get this clear? This series of questions started out, according to my recollection, directed toward the hiatus period when I had been counsel, then I was not counsel. Now, you're asking if it was in the in-between time?

MR. WILSON: That's right.

MR. GREENE: So now the scope unintentionally has broadened, so that's okay. If we're going back to --

MR. WILSON: No, we're not.

MR. GREENE: -- pre-September '91.

I want to make sure the question is clear, because your question is less clear to me.

MR. WILSON: Q. I'm only talking about the period when Mr. Greene was out of the Azneran case.

A. Before July of '91?

MR. GREENE: No.

MR. WILSON: Q. Whenever he got out of the Azneran case, between that time and the time he got back in.

A. So like June of '91 through July of '91.

MR. GREENE: July 24.

THE WITNESS: So from June 6 '91 through July of '91, no, I didn't do any of those things.

MR. WILSON: I thought that.

MR. GREENE: There's a fundamental factual problem there. There's two --

MR. WILSON: I was speaking of the later one.

MR. GREENE: Because there was some time I believe in February of '92 to earlier this month where Elstead was the sole attorney of record for the Aznerans.

MR. WILSON: Q. That's the period of time when I'm talking about, February of '92 until the time Mr. Greene recently substituted back into the case.

A. So whenever, back to your definition of paralegal work, I didn't do any.

Q. And anything you did was taking messages or routing documents; is that correct?

A. The secretarial work for Mr. Greene.

Q. And can you remember any specific things you did, whether it was secretarial or not?

A. Without getting into exactly what they were, that is, the subject matter, copying, mail logging, routing, relaying messages, taking messages.

Q. Okay. Let me ask you this question. Back to Mr. Elstead, have you done any other work for Mr. Elstead, other than on the Azneran case?

MR. GREENE: In any capacity?

MR. WILSON: Right.

THE WITNESS: In that Mr. Elstead requested me to testify in the Hunziker case and that I did agree and in that I did testify at deposition, that's what I did for him.

MR. WILSON: Q. And what is the Hunziker case?

A. It's the case of Steven Hunziker versus Applied Materials.

Q. And what did Mr. Elstead ask you to do in that case?

A. He asked me if I would testify.

Q. In what capacity? What did you know about the case that he wanted you to testify about?

A. The case involved Scientology courses being taught at the Applied Materials Company, and he wanted me

Signature of Witness

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CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	CASE NO. BC 052395 DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF APPLICATION FOR ORDER TO SHOW CAUSE WHY GERALD ARMSTRONG SHOULD NOT BE HELD IN CONTEMPT DATE: December 31, 1992 TIME: 1:30 p.m. DEPT: 88 DISCOVERY CUT-OFF: None MOTION CUT-OFF: None TRIAL DATE: May 3, 1992

I, LAURIE J. BARTILSON, hereby declare:

1. I am a member of the law firm of Bowles & Moxon and am an attorney admitted to practice in the State of California. My firm represents plaintiff Church of Scientology International ("Church") in the instant case. I am submitting this declaration in support of the Church's Motion for Order to Show Cause Why Gerald Armstrong Should Not Be Held in Contempt ("Motion") and

said Motion's accompanying memorandum of points and authorities ("Memorandum"). I have personal knowledge of the matters specified in this declaration and, if called upon to testify on such matters, would and could do so competently.

2. On May 28, 1992, this Court issued a preliminary injunction order ("May 28 Order") in this case which stated, in relevant part:

> Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of this court from doing directly or indirectly any of the following:
>
> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1. of the "Mutual Release of All Claims and Settlement Agreement" of December 1986 regarding such claim or regarding pressing, arbitrating or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

A true and correct copy of the May 28 Order which I received from the Court is attached as Exhibit A in support of the Motion.

3. On June 5, 1992, I gave notice to Armstrong's lawyers, Ford Greene and Paul Morantz, of the May 28 Order. A true and correct copy of the Notice with exhibits and proofs of service is attached as Exhibit S in support of the Motion.

4. At a deposition of Gerald Armstrong ("Armstrong") in this case on June 24, 1992, he and my co-counsel, Andrew Wilson, had the following exchange regarding the December 1986 "Mutual

Release and Settlement Agreement" between the Church and Armstrong ("Settlement Agreement") and the May 28 Order:

> A. . . . I have absolutely no intention of honoring that settlement agreement. I cannot. I cannot logically. I cannot ethically. I cannot morally. I cannot psychically. I cannot philosophically. I cannot spiritually. I cannot in any way. And it is firmly my intention to not honor it.
>
> Q. No matter what a court says?
>
> A. No court can order it. They're going to have to kill me.

A true and correct copy of the relevant page of the transcript of that deposition, p. 124, accurately reflecting the statements of Armstrong and myself, is attached as Exhibit F to the Motion.

5. At a continuation of Armstrong's deposition in this case on October 7, 1992, Armstrong and I had the following exchange regarding the May 28 Order:

> Q. When was the next time you spoke to Mr. Welkos or Mr. Sappell?
>
> A. Around the time of the Sohigian ruling.
>
> Q. This is another telephone conversation?
>
> A. In that I only met Mr. Welkos on that one occasion, yes.
>
> Q. I apologize. You said that, and I forgot. And this was a conversation with Mr. Welkos?
>
> A. Yes
>
> Q. Did you call him, or did he call you?
>
> A. I believe I originated the conversation.
>
> Q. What did he say to you, and what did you say to him, during that conversation?
>
> A. I believe I advised him of the Sohigian ruling.

> Q. Did you discuss anything else with him?
>
> A. I think it was -- That's all that I recall being the subject of the discussion at that time.
>
> Q. Did you tell him that as a result of the Sohigian ruling, you now felt that you were more free to do things that you had been constrained about doing before?
>
> A. No, I never said that. Because I did not feel I was constrained before. But rather that by specifically denying the injunction as to all of those things which the organization sought in the preliminary injunction, that I was free from the potential of an injunction.

A true and correct copy of the relevant pages of the transcript of that deposition, pp. 378-379, accurately reflecting the statements of Armstrong and myself, is attached as part of Exhibit D to the Motion. On behalf of my client the Church, I allege that the statements made by Armstrong under oath as quoted in this paragraph and the paragraph immediately preceding in this declaration are acknowledgements by Armstrong of his awareness of the May 28 Order, his ability to act in compliance of such order and his intention to wilfully disobey its terms.

6. At a continuation of Armstrong's deposition in this case on July 22, 1992, he acknowledged to me under oath that he continued to be employed by Ford Greene as a paralegal. A true and correct copy of the relevant pages of the transcript of that deposition, pp. 186-189, accurately reflecting the statements of Armstrong and myself, is attached as Exhibit H to the Motion.

7. On July 7, 1992, I received in the mail a notice of association from Ford Greene announcing that he again represented Vicki and Richard Aznaran in the matter of Vicki Aznaran and Richard Aznaran v. Church of Scientology International, et al.

U.S. District Court, Central District of California No. CV-88-1786-JMI(Ex) ("Aznaran v. Church"). On that day, I sent Mr. Greene a letter by telecopier and first class mail. A true and correct copy of that letter is attached as Exhibit I to the Motion. In that letter, I requested that Mr. Greene inform me of the steps that had been and that would be taken to ensure that Armstrong did not violate the terms of the May 28 Order, in particular the prohibition that prevented Armstrong from assisting the Aznarans in their case.

8. On or about July 12, 1992, I received a letter from Mr. Greene, dated July 11, 1992, which responded to the above referenced letter of July 7, 1992. A true and correct copy of that letter is attached as Exhibit J to the Motion. In that letter, Mr. Greene pointedly declined to provide any specific assurances that Armstrong would not assist the Aznarans or any other anti-Church litigant or claimant in violation of the above-cited terms of the May 28 Order. Instead, he characterized the May 28 Order as "somewhat cryptic and difficult to enforce" and that as to Armstrong's compliance with said order, I "would simply have to take [Mr. Greene's] word for it."

9. In July, 1992, following my receipt of a copy of a ruling of Judge Ideman in Aznaran v. Church transferring that case from the Central District of California to the U.S. District Court in Dallas, Texas, I received a telephone call from Armstrong in which he stated that he was calling from Mr. Greene's office and that he needed to receive immediately by fax such transfer ruling of Judge Ideman. I told Armstrong that the May 28 Order prohibited him from assisting the Aznarans or any

other litigants against the Church. He replied that he was trying to help the Aznarans. On behalf of my client the Church, I allege that the statements made by Armstrong as relayed in this paragraph are acknowledgements by Armstrong of his awareness of the May 28 Order, his ability to act in compliance of such order and his intention to wilfully disobey its terms.

10. On July 18, 1992, I sent another letter to Mr. Greene by telecopier and first class mail, responding to his July 11, 1992 letter, accurately describing my above referenced July, 1992 conversation with Armstrong and reiterating that Armstrong was required to immediately cease all work for the Aznarans and to cease all actions in violation of the May 28 Order. A true and correct copy of that letter is attached as Exhibit K to the Motion.

11. I received no response to my July 18, 1992 letter from Mr. Greene. However, on or about August 1, 1992, I received two proofs of service for Mr. Greene's pleadings in the Aznaran v. Church case, each of which was executed by Armstrong. True and correct copies of those proofs of service are attached as Exhibit L to the Motion. On behalf of my client the Church, I allege that the actions taken by Armstrong as relayed in this paragraph are acknowledgements by Armstrong of his ability to act in compliance of the May 28 Order and his intention to wilfully disobey its terms.

12. In the continuation of Armstrong's deposition in this case on October 7 and 8, 1992, during which I further examined Armstrong, he made several additional admissions that I allege indicate his awareness of the May 28 Order, his ability to act in

compliance of such order and his intention to wilfully disobey its terms. These admissions include Armstrong's statements that he broadly discussed with the Aznarans matters relating to their case against the Church, that he assisted in the relay of communications between the Aznarans and Mr. Greene and that he was assisting three other persons, Tillie Good, Denise Cantin and Ed Roberts, each of whom is making claims, through Mr. Greene's office, against Churches of Scientology protected by the May 28 Order. A true and correct copy of the relevant pages of the transcript of this deposition, pp. 448-458, accurately reflecting the statements of Armstrong, Mr. Greene and myself, is attached as part of Exhibit D to the Motion. True and correct copies of Mr. Greene's demand letters against various Churches of Scientology on behalf of Ms. Good, Ms. Cantin and Mr. Roberts received by me and/or my firm are attached as Exhibits M, N and O respectively to the Motion.

13. On December 26, 1992, I received by U.S. mail a letter signed by Gerald Armstrong, dated December 22, 1992, and addressed to "David Miscavige and all other individuals who participate in the control of Scientology, C/O Laurie J. Bartilson, Esquire" ("December 22 Letter"). A true and correct copy of the December 22 Letter is attached to the moving papers as Exhibit G.

14. In what can only be described as deliberate harassment, Armstrong also sent copies of the letter to 35 individuals and groups, including anti-Church litigants, such as Vicki and Richard Aznaran, Larry Wollersheim and Joseph Yanny, and lawyers who represent clients in actions brought against one of more

churches, including Toby Plevin, John Elstead, and Dan Leipold.

15. Armstrong spends the bulk of the December 22 Letter vilifying the Church and its members, and threatening further breaches of the settlement agreement, and violations of the preliminary injunction, if his demands are not met. Although Armstrong has publicly disavowed any interest in money, he insists that the Church pay him $500,000 for his "legal fees and costs," "cancel" the settlement agreement, and pay unspecified amounts of money to other anti-Church litigants if the Church wishes to avoid Armstrong's threatened violations.

16. Specifically, Armstrong threatens that, if his demands are not met, that he will travel voluntarily to South Africa to testify against a church of Scientology, give interviews to the media, and voluntarily assist anyone and everyone opposing Churches that he can locate. [Id. pp. 3, 4, 6, 7, 8] Expressing the viewpoint that the May 28 Order places no restrictions whatsoever on his conduct, Armstrong states,

> I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted to do I am going to do. . . .
>
> I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. . . . I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

[Exhibit G, p. 3].

17. The Cult Awareness Network is an anti-religious group that advocates the kidnapping and forcible "deprogramming" of individuals belonging to religions which they have identified as

"cults." While the Church is not presently suing the Cult Awareness Network in any litigation, the president of the Cult Awareness Network, Cynthia Kisser, has initiated an action against the Church and its president, Heber Jentzsch.

18. Richard Behar is the author of a Time cover story concerning the Church which ran in May, 1991. The Church is presently engaged in a lawsuit against Time and Behar for defamation.

19. In the December 22 Letter, Armstrong also makes plain the personal contempt which he has for a Court which would rule against him:

> There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me not to defend myself.

[*Id*. p. 5].

20. These recent pronouncements by Armstrong make plain that nothing short of a criminal contempt order is likely to end Armstrong's misconduct.

21. On December 30, 1992, I received a videotape identified by the initial speaker as a November 6, 1992 interview of Armstrong. Jerry Whitfield and others participated in such interview which, on information and belief, took place at the Los Angeles convention in early November, 1992 of the so-called "Cult Awareness Network" ("CAN"). A true and accurate copy of the video tape is attached and lodged as Exhibit Q to the Motion. A true and accurate transcript of the conversation between

Armstrong, Mr. Whitfield and others as reflected on said videotape is attached as Exhibit P to the Motion. During this recorded interview, Armstrong makes the following statement:

> . . . I cannot, except pursuant to a subpoena, assist someone intending to file a claim or pressing a claim against the organization. Now then we are appealing even that narrow ruling, because that's unenforceable because if you construe that my ... that this video could possibly indirectly help someone in the future, I can't do this. And not only that but if you consider that my existence indirectly or directly helps someone, then I'll oblige to take my own life. In other words, I must stop breathing. It's unenforceable. I feel I am completely at liberty to associate with whomever I want, to talk to whomever I want, and I act and live that way. And that is in part why I am here at this event now, why I came to the CAN conference.

Exhibit P, p. 34.

On behalf of my client the Church, I allege that the statements made by Armstrong as relayed in this paragraph are further acknowledgements by Armstrong of his awareness of the May 28 Order, his ability to act in compliance of such order and his intention to wilfully disobey its terms.

22. Mr. Whitfield is a defendant in the matter of Casillas v. Jerry Whitfield, et al., Los Angeles County Municipal Court No. 91K49349. My office represents Mr. Casillas in that action. Mr. Casillas is a staff member of the Church and is suing Mr. Whitfield and others for false imprisonment and false arrest.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 31st day of December, 1992 at Los Angeles, California.

H:\ARMSTRON\BART.DEC

Laurie J. Bartilson

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

CHURCH OF SCIENTOLOGY, ETC.,)
)
PLAINTIFF,)
VS)
)
GERALD ARMSTRONG, ET AL.,)
) NO. BC052395
)
DEFENDANT.)
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS
FRIDAY, FEBRUARY 19, 1993

RECEIVED
FEB 26 1993
HUB LAW OFFICES

APPEARANCES:

FOR PLAINTIFF:
BOWLES AND MOXON
BY: LAURIE J. BARTILSON, ESQ.
6255 SUNSET BOULEVARD
SUITE 2000
HOLLYWOOD, CALIFORNIA 90028

FOR DEFENDANT:
HUB LAW OFFICES
BY: FORD GREENE, ESQ.
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960

B. CHARLINE HOWELL, CSR NO. 1296
OFFICIAL REPORTER

LOS ANGELES, CALIFORNIA; FRIDAY, FEBRUARY 19, 1993

9:40 A.M.

DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

APPEARANCES: SEE TITLE PAGE

THE COURT: CHURCH OF SCIENTOLOGY VS ARMSTRONG.

MS. BARTILSON: LAURIE BARTILSON FOR PLAINTIFF, CHURCH OF SCIENTOLOGY.

MR. GREENE: FORD GREENE FOR DEFENDANT GERALD ARMSTRONG AND THE CORPORATION.

THE COURT: DO YOU WISH TO BE HEARD?

MR. GREENE: YOUR HONOR, I WAS UNABLE TO TELL FROM YOUR TENTATIVE RULING WHETHER OR NOT THE BASIS OF YOUR DECISION WAS PREDICATED ON A TECHNICAL READING OF THE STATUTE, ON THE ALLEGED STIPULATION, OR ON BOTH.

AND I WOULD REQUEST IF I COULD GET SOME ILLUMINATION FROM THE COURT WHETHER IT WAS BOTH OR ONE OR THE OTHER AND I COULD THEN MAKE MY ARGUMENT MORE DIRECTLY AND PRECISELY.

THE COURT: BASICALLY, THE DEPOSITION WAS NOT COMPLETED IN THAT 30 DAY PERIOD OF CORRECTION. ALL OF THAT WAS NOT DONE UNTIL DECEMBER 7 SO --

MR. GREENE: SO --

THE COURT: IT IS WITHIN 60 DAYS.

MR. GREENE: OKAY.

SO THE ISSUE IS, AS I READ THE STATUTE, IS WHEN IS THE DEPOSITION TRANSCRIPT IS COMPLETED WITHIN THE MEANING OF 2015(O).

AND READING THAT SECTION OF 2025, WITH THE OTHER PROVISIONS OF 2025, I WOULD SUBMIT TO THE COURT THAT THE TRANSCRIPT IS COMPLETED WHEN THE COURT REPORTER EXECUTES THE CERTIFICATE THAT IS APPENDED TO THE END OF IT. AND THAT THE MATTER OF THE DEPONENT MAKING CORRECTIONS IS SEPARATE AND DISTINCT.

I WOULD POINT THE COURT'S ATTENTION TO SECTION 2025(F). THAT SAYS THE STENOGRAPHIC TRANSCRIPT IS THE OFFICIAL RECORD OF THAT TESTIMONY FOR ANY HEARING, 2025(Q), WHERE THAT PROVISION REQUIRES THAT THE DEPOSITION OFFICER SEND WRITTEN NOTICE WHEN THE ORIGINAL TRANSCRIPT OF THE TESTIMONY IS AVAILABLE FOR READING, CORRECTING, AND SIGNING.

2025(R), WHICH REQUIRES THE DEPOSITION OFFICER TO CERTIFY THE DEPONENT WAS SWORN, THE TRANSCRIPT WAS A TRUE, COMPLETE, AND ACCURATE RECORD OF THE TESTIMONY TAKEN.

LOOKING AT THOSE PROVISIONS, IT WOULD APPEAR THAT THE COMPLETION OF THE TRANSCRIPT DOES NOT HAVE TO DO WITH WHEN THE COURT REPORTER -- OR DOES NOT HAVE TO DO WITH WHEN THE DEPONENT CORRECTS THE TRANSCRIPT, BUT HAS TO DO WITH WHEN THE COURT REPORTER COMPLETES THE TRANSCRIPT AND SIGNS THE CERTIFICATE.

AND IN THIS CASE, BASED ON THAT ANALYSIS, THE MOTION IS NOT TIMELY.

IF, AS INDICATED BY THE TENTATIVE RULING -- BEFORE I SAY THAT, LET ME ALSO SAY THAT IN THE STATUTE THERE IS ALSO SPECIFIC LANGUAGE THAT TALKS ABOUT THE

CORRECTIONS TO THE TRANSCRIPT. AND 2025(O) DOES NOT SAY THAT THE 60 DAYS STARTS TO RUN AT THE POINT WHEN THE ORIGINAL TRANSCRIPT IS CORRECTED.

IT STATES THAT THE 60 DAYS STARTS TO RUN WHEN THE TRANSCRIPT IS COMPLETE. SO BASED ON THE FACT THAT THERE ARE DISTINCT AND SEPARATE PHRASES OF LANGUAGE THAT ARE USED TO REFER TO DIFFERENT FUNCTIONS OF 2025, I THINK THE CORRECT READING OF THE STATUTE IS THAT THE 60 DAYS STARTS TO RUN AT THE TIME WHEN THE COURT REPORTER COMPLETES THE TRANSCRIPTION. AND AS INDICATED BY THE COURT REPORTER'S CERTIFICATE I BELIEVE THAT IS WHY THERE IS THE CERTIFICATE APPENDED TO THE END OF EACH AND EVERY DEPOSITION.

IF I AM WRONG, THE CONSEQUENCES ARE TREMENDOUS. AND I BELIEVE THAT MY READING OF THE STATUTE IS REASONABLE AND SUPPORTED BY THE LANGUAGE IN IT.

IF THAT IS INCORRECT, I BELIEVE THAT IT IS A REASONABLE MISTAKE, AND I WOULD SEEK LEAVE OF THE COURT TO FILE MOTION FOR RELIEF PURSUANT TO CODE OF CIVIL PROCEDURE 473, IN ORDER TO ADDRESS THAT.

AND THE REASON BEING IS THERE ARE IMPORTANT MATTERS OF PRIVILEGE WHICH APPLY TO NOT ONLY MR. ARMSTRONG, BUT TO OTHER INDIVIDUALS, AS WELL. AND IF MY READING IS RIGHT, I BELIEVE OUR POSITION IS WELL TAKEN.

WITH THAT, I SUBMIT IT TO THE COURT AND REQUEST NOW IF THE COURT UPHOLDS THE TENTATIVE RULING, TO ALLOW US TO SET A 473 MOTION ON AN EXPEDITED BASIS SO

AS TO ADDRESS THE RESULTS.

MS. BARTILSON: BRIEFLY, YOUR HONOR, I THINK MR. GREENE IS A BIT MISTAKEN IN HIS INTERPRETATION OF 2025.

2025 SUB (O) DOES NOT TALK ABOUT THE TRANSCRIPTS BEING COMPLETED, TALKS ABOUT THE RECORD OF THE DEPOSITION BEING COMPLETED.

AND THE RECORD OF DEPOSITION IS NOT COMPLETED UNTIL AS PROVIDED IN 2025(Q) AND STIPULATION OF COUNSEL IN THIS CASE, THE DEPOSITION HAS GONE TO THE DEPONENT TO READ AND CORRECT.

THE STATUTE CLEARLY PROVIDED FOR THAT IN 2025(Q) IS 30 DAYS. AND THAT IS ALSO WHAT MR. GREENE HAS SAID IN DEPOSITION. I THINK IN THIS CASE IT IS TOO LITTLE TOO LATE.

AS FOR THE REQUEST FOR RELIEF, THE MOTION HAS BEEN ON FILE FOR FIVE WEEKS, YOUR HONOR. WE DIDN'T JUST GIVE HIM 15 DAYS NOTICE ON IT. THERE WAS ABSOLUTELY NO REASON WHY MR. GREENE COULD NOT HAVE INCLUDED IN THE OPPOSITION MORE THAN JUST THE TECHNICAL ARGUMENT IT WAS UNTIMELY, IF HE HAD OTHER OPPOSITION TO BRING AS TO PRIVILEGES OR ANYTHING ELSE.

IT IS JUST MORE DELAY. AND FRANKLY, WE ARE COMING IN TIGHT ON CUTOFF, WE HAVE TO FILE MOTION FOR SUMMARY JUDGMENT, AND I NEED THIS DISCOVERY AND I NEED IT PROMPTLY. I DON'T NEED IT IN ANOTHER 30 DAYS OR 40 DAYS, OR 50 DAYS, WHILE HE TAKES THE TIME TO FILE ANOTHER MOTION.

SO I STRONGLY OPPOSE EFFORTS TO FILE A

SECOND OPPOSITION, ESSENTIALLY WHEN HE HAD PLENTY TIME TO DO ONE HERE AND DIDN'T DO IT.

THE COURT: OKAY.

MR. GREENE: IN BRIEF RESPONSE TO THAT, ONE, I AM NOT ASKING FOR ANY 30 -- 40 DAYS AND WHAT EVER KIND OF TIME BASIS THE COURT WOULD DEEM APPROPRIATE.

HOWEVER, EXPEDITED IS WHAT I WOULD REQUEST.

THE COURT: ALL RIGHT.

THE MOTION TO COMPEL ANSWERS TO DEPOSITION IS GRANTED. WITHIN 20 DAYS. THERE WON'T BE ANY SANCTIONS. MOTION IS TIMELY MADE.

THE REQUEST TO HAVE MOTION TO RECONSIDER AS FAR AS THE SUBSTANCE OF THE OBJECTIONS TO THE QUESTIONS ARE CONCERNED, THAT IS DENIED.

COUNSEL OBVIOUSLY MADE A DELIBERATE DETERMINATION NOT TO RESPOND TO THE SUBSTANCE OF THE MOTION, BUT RATHER RESPONDED TECHNICALLY AS TO WHETHER IT WAS TIMELY OR NOT.

NO REASON I COULD SEE TO ALLOW FURTHER BRIEFING AS TO THE SUBSTANCE.

SO THE MOTION TO COMPEL IS GRANTED. 20 DAYS. THERE WON'T BE ANY SANCTIONS. AND THAT WILL BE THE ORDER.

MR. GREENE: I WOULD ADD, YOUR HONOR, JUST FOR THE RECORD, IS THAT THERE ARE SUBSTANTIAL MATTERS OF PRIVILEGE WHICH APPLIED TO OTHER PEOPLE IN ADDITION TO MR. ARMSTRONG.

THE COURT: WELL, YOU SHOULD HAVE --

MS. BARTILSON: HE SHOULD HAVE RAISED THEM.

THE COURT: -- RAISED THEM.

THE CLERK: NOTICE?

MS. BARTILSON: NOTICE WAIVED.

MR. GREENE: NOTICE IS WAIVED.

*****

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

CHURCH OF SCIENTOLOGY, ETC.,)
)
PLAINTIFF,)
VS)
)
GERALD ARMSTRONG, ET AL.,)
) NO. BC052395
)
DEFENDANT.)
)

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, B. CHARLINE HOWELL, OFFICIAL REPORTER OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING PAGES 1 THROUGH 6 COMPRISE A FULL, TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER ON FEBRUARY 19, 1993.

DATED THIS 22ND DAY OF FEBRUARY, 1993.

B Charline Howell, CSR NO. 1296
OFFICIAL REPORTER

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: March 23, 1993

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
		, Deputy Sheriff	B. CHARLINE HOWELL	, Reporter
8	C. AGUIRRE	, C. S. L.		, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

VS

GERALD ARMSTRONG

Counsel For Plaintiff: LAURIE BARTILSON (x)
ANDREW WILSON (x)

Counsel For Defendant: FORD GREENE (x)

157680

NATURE OF PROCEEDINGS:

MOTION OF DEFENDNAT, GERALD ARMSTRONG, FOR STAY OR IN THE ALTERNATIVE, FOR AN EXTENSION OF TIME TO OPPOSE MOTIONS FOR SUMMARY ADJUDICATION;

D, Mot for stay of proceedings GRANTED. The action is stayed under CCP 916. Counsel are ordered to report any decision by the Court of Appeal to this Department, in writing, within one day of the issuance of the opinion so that this Court may lift the stay.

"...an appeal stays proceedings in the trial court upon the ..order appealed from or upon the matters embraced therein or affected thereby..." CCP 916. As the Church has stated in its Summary Adjudication motions, "The facts are undisputed, however, that Armstrong has breached the Agreement repeatedly and deliberately. Because of these breaches, a preliminary injunction was issued by the Court on May 28, 1992." Obviously, the validity of the Agreement is the basis for the preliminary injunction. One of the basis for the appeal is an attack on the legality and validity of the Agreement.

The central issue of this case is the legality and validity of the Agreement. The Court of Appeal could certainly reach that issue in its determination of the validity of the injunction. If it does, that ruling could be determinative of many of the issues of this case. It makes no sense to proceed with this matter until the Court of Appeal makes its ruling.

Any and all matters set in this department, including but not limited to the Motions set for 3/31/93, the Final Status Conference of 4/23/93 and the Trial of 5/3/93, are each advanced and vacated.

Defendant shall give notice.

1597

Ford Greene, Esquire
California State Bar No. 107601
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272
(310) 459-4745

Attorneys for Defendant
GERALD ARMSTRONG

FILED
LOS ANGELES SUPERIOR COURT
APR 01 1993
[illegible] CLERK
Nelly Au
BY NELLY AU, DEPUTY

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK
BY

ORIGINAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

157680 O/F

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	No. **BC 052395** **NOTICE OF RULING ON DEFENDANT ARMSTRONG'S MOTION FOR STAY OF PROCEEDINGS** Discovery Cut Off: Vacated Motion Cut Off: Vacated Trial Date: Vacated

On March 23, 1993, the motion by Defendant Gerald Armstrong for a stay of proceedings, or in the alternative, for an extension of time to oppose motions for summary adjudication, came before Department 30 of the above-entitled Court, the Honorable David A. Horowitz, presiding. Plaintiff Church of Scientology International was represented by Wilson, Ryan & Campilongo, Andrew H. Wilson appearing, and by Bowles & Moxon, Laurie J. Bartilson appearing. Defendant Gerald Armstrong was represented by Ford Greene. After consideration of all the papers filed in support of and in opposition to Defendant Armstrong's motion and after considering the arguments of counsel, the Court ordered as follows:

1. Defendant's motion for stay of proceedings in Department 30 of the trial court is **GRANTED** on the grounds set forth in the Court's Minute Order issued March 23, 1993, a true and correct copy of which is attached hereto and incorporated herein by reference.

2. Counsel are **ORDERED** to report, in writing, any decision by the Court of Appeal to Department 30 within one day of the issuance of the opinion on Defendant Armstrong's appeal of the preliminary injunction issued by the Honorable Ronald M. Sohigian on May 28, 1992.

3. Any and all matters set in Department 30, including but not limited to the motions set for March 31, 1993, the Final Status Conference of April 23, 1993, and Trial of May 3, 1993, are advanced and **VACATED**.

4. Defendant is to give notice.

DATED: March 26, 1993

By:____________________________
FORD GREENE

By:____________________________
PAUL MORANTZ

Attorneys for Defendant

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: NOTICE OF RULING ON DEFENDANT ARMSTRONG'S MOTION FOR STAY OF PROCEEDINGS

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard, Suite 2000
Los Angeles, California 90028

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: March 26, 1993

DEPT. 30

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

1600

Date: March 23, 1993

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
		, Deputy Sheriff	B. CHARLINE HOWELL	, Reporter
8	C. AGUIRRE	, C. S. L.		, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

VS

GERALD ARMSTRONG

Counsel For Plaintiff: LAURIE BARTILSON (x)
ANDREW WILSON (x)

Counsel For Defendant: FORD GREENE (x)

NATURE OF PROCEEDINGS:

MOTION OF DEFENDNAT, GERALD ARMSTRONG, FOR STAY OR IN THE ALTERNATIVE, FOR AN EXTENSION OF TIME TO OPPOSE MOTIONS FOR SUMMARY ADJUDICATION;

D, Mot for stay of proceedings GRANTED. The action is stayed under CCP 916. Counsel are ordered to report any decision by the Court of Appeal to this Department, in writing, within one day of the issuance of the opinion so that this Court may lift the stay.

"...an appeal stays proceedings in the trial court upon the ..order appealed from or upon the matters embraced therein or affected thereby..." CCP 916. As the Church has stated in its Summary Adjudication motions, "The facts are undisputed, however, that Armstrong has breached the Agreement repeatedly and deliberately. Because of these breaches, a preliminary injunction was issued by the Court on May 28, 1992." Obviously, the validity of the Agreement is the basis for the preliminary injunction. One of the basis for the appeal is an attack on the legality and validity of the Agreement.

The central issue of this case is the legality and validity of the Agreement. The Court of Appeal could certainly reach that issue in its determination of the validity of the injunction. If it does, that ruling could be determinative of many of the issues of this case. It makes no sense to proceed with this matter until the Court of Appeal makes its ruling.

Any and all matters set in this department, including but not limited to the Motions set for 3/31/93, the Final Status Conference of 4/23/93 and the Trial of 5/3/93, are each advanced and vacated.

Defendant shall give notice.

1601

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
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(415) 391-3900

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Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

FILED
LOS ANGELES SUPERIOR COURT
JUL 26 1993
JAMES H. DEMPSEY, CLERK
BY ~~N. MATTHEWS~~, DEPUTY

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK
BY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

157680

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; DOES 2 through 25, inclusive,

Defendants.

AND RELATED CROSS-COMPLAINT

CASE NO. BC 052395

ORDER TO SHOW CAUSE RE CONTEMPT

DATE: ~~July 26~~ Sept. 14, 1993
TIME: 9:30 a.m.
DEPT: 86

DISCOVERY CUT-OFF: None
MOTION CUT-OFF: None
TRIAL DATE: Vacated

TO: GERALD ARMSTRONG:

GOOD CAUSE APPEARING, YOU ARE ORDERED to appear in Department No. 86 of this Court, located at 111 North Hill Street, Los Angeles, California 90012, on September 14, 1993 at

CENTRAL COURTHOUSE
OP 05 M 04 07/23/93 09:59
T# 00051 0003 14.00
REG 08 ACT

9:30 a.m. (~~time~~) to show cause why you should not be adjudged to be in contempt of this Court for alleged violation of the Court's order of May 28, 1992.

If you are held to be in contempt of this Court, then as the Court sees fit you will be subject to a fine not to exceed $1,000.00 and jail time not to exceed five days.

Date: JUL 26 1993

Superior Court Judge

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Los Angeles, California 90028.

On July 26, 1993 I served the foregoing document described as ORDER TO SHOW CAUSE RE CONTEMPT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

[X] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on July 26, 1993 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such

envelopes by hand to the offices of the addressees.

Executed on _________________, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Jerry Hanlon
Print of Type Name

Jerry Hanlon
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On July 26, 1993 I served the foregoing document described as ORDER TO SHOW CAUSE RE CONTEMPT on interested parties in this action.

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

PAUL MORANTZ
P.O. Box 511
Pacific Palisades, CA 90272

[ ] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on ________ at Los Angeles, California.

[X] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on July 26, 1993 at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Print of Type Name

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

1607

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Hollywood, California 90028-7421
(213) 953-3360

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK
BY

FILED
LOS ANGELES SUPERIOR COURT
JUL 26 1993
JAMES H. DEMPSEY, CLERK
BY INNA R. MATTHEWS, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

157680

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; DOES 2 through 25, inclusive, Defendants.	CASE NO. BC 052395 DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF SECOND APPLICATION FOR ORDER TO SHOW CAUSE WHY GERALD ARMSTRONG SHOULD NOT BE HELD IN CONTEMPT DATE: July 26, 1993 TIME: 8:30 a.m. DEPT: 86 DISCOVERY CUT-OFF: None MOTION CUT-OFF: None TRIAL DATE: Vacated
AND RELATED CROSS-COMPLAINT	

I, LAURIE J. BARTILSON, hereby declare:

1. I am a partner in the law firm of Bowles & Moxon and am an attorney admitted to practice in the State of California. My firm represents plaintiff Church of Scientology International ("Church") in the instant case. I am submitting this declaration in support of the Church's Second Ex Parte Application for Order

to Show Cause Why Gerald Armstrong Should Not Be Held in Contempt ("Application"). I have personal knowledge of the matters specified in this declaration and, if called upon to testify on such matters, would and could do so competently.

2. In the Church's December 31, 1992 ex parte application for order to show cause in this case and in my supporting declaration to that application and accompanying exhibits, the Church documented at least six earlier instances of Armstrong's wilful violations of the May 28, 1992 preliminary injunction order of this Court ("May 28 order"). As required, my December 31, 1992 declaration ("First Dec.") contained allegations of: (a) the issuance of the May 28 order (First Dec., ¶ 2); (b) notice to Armstrong of the May 28 order through notice to his attorneys on June 5, 1992 in the manner authorized by the Court (First Dec., ¶ 3); (c) Armstrong's knowledge of the May 28 order through his statements that he was aware of but would never comply with such order (First Dec., ¶¶ 4, 5, 9, 10 and 13); and (d) Armstrong's ability to have complied with such order (through his actions of assistance to anti-Church litigants, including his latest instance specified in paragraph 5 below, Armstrong was just as able to desist from such actions (First Dec., ¶¶ 4, 5, 9, 11, 12 and 13)). My December 31, 1992 declaration is attached as Exhibit 1 hereto and its statements and allegations are incorporated by reference into this declaration.

3. The May 28 order states, in part:

> Defendant Gerald Armstrong ... and persons acting in concert ... with him ... are restrained and enjoined during the pendency of this suit pending further order of this court from ... [v]oluntarily assisting any person ... litigating a claim against the persons

> referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December 1986.

Exhibit A to Application, May 28 order, p. 2, ¶ 6. The persons and entities protected by the prohibition against voluntary assistance include plaintiff Church and the Church of Scientology of California. Exhibit B to Application, Mutual Release of All Claims and Settlement Agreement, p. 1, ¶ 1.

4. Less than a month after the May 28 order was issued, Armstrong asserted under oath in deposition that he would not honor its terms.

> I have absolutely no intention of honoring that settlement agreement. I cannot. I cannot logically. I cannot ethically. I cannot morally. I cannot psychically. I cannot philosophically. I cannot spiritually. I cannot in any way. And it is firmly my intention not to honor it.
>
> Q. No matter what the court says?
>
> A. No court can order it. They're going to have to kill me.

Exhibit C to Application, June 24, 1992 deposition of Gerald Armstrong, p. 124. Armstrong also stated his intent to ignore the May 28 order in a December 22, 1992 letter to plaintiff's counsel. Exhibit D to Application.

5. Larry Wollersheim is a former Church member who has been actively pursuing claims against the Church of Scientology of California in litigation since 1980. On or about June 17, 1993, I received a set of exhibits in support of Larry Wollersheim's motion to strike in Church of Scientology of California v. Wollersheim, Los Angeles County Superior Court No. 074815. I represent the Church of Scientology of California in that case. Designated as exhibit 6 in that set was a copy of a five-page

declaration of Gerald Armstrong, showing on the last page that Armstrong had executed the document under oath on June 4, 1993. That declaration contained an Armstrong diatribe against the Churches of Scientology. Exhibit J to Application.

6. I allege that execution and delivery of the June 4, 1993 declaration by Armstrong to Wollersheim and/or Wollersheim's counsel is a violation of the prohibition in the May 28 order against voluntary assistance to Church adversaries in litigation and is in deliberate contempt of this Court's authority.

7. On July 23, 1993, I gave notice of this application to Armstrong's counsel, Ford Greene and Paul Morantz, by telefax communication. A true and correct copy of my letter giving notice is attached hereto as Exhibit 2, together with telefax transmission confirmation sheets. I received a response to my letter from defendant Armstrong, Exhibit 3, and responded to that communication on July 23, 1993, Exhibit 4.

Neither Armstrong nor his counsel indicated whether or not they intended to oppose this application.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 24th day of July, 1993 at Los Angeles, California.

Laurie J. Bartilson

H:\ARMSTRON\LAURIE.DEC

Andrew H. Wilson
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Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

CASE NO. BC 052395

DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF APPLICATION FOR ORDER TO SHOW CAUSE WHY GERALD ARMSTRONG SHOULD NOT BE HELD IN CONTEMPT

DATE: December 31, 1992
TIME: 1:30 p.m.
DEPT: 88
DISCOVERY CUT-OFF: None
MOTION CUT-OFF: None
TRIAL DATE: May 3, 1992

I, LAURIE J. BARTILSON, hereby declare:

1. I am a member of the law firm of Bowles & Moxon and am an attorney admitted to practice in the State of California. My firm represents plaintiff Church of Scientology International ("Church") in the instant case. I am submitting this declaration in support of the Church's Motion for Order to Show Cause Why Gerald Armstrong Should Not Be Held in Contempt ("Motion") and

said Motion's accompanying memorandum of points and authorities ("Memorandum"). I have personal knowledge of the matters specified in this declaration and, if called upon to testify on such matters, would and could do so competently.

2. On May 28, 1992, this Court issued a preliminary injunction order ("May 28 Order") in this case which stated, in relevant part:

> Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of this court from doing directly or indirectly any of the following:
>
> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1. of the "Mutual Release of All Claims and Settlement Agreement" of December 1986 regarding such claim or regarding pressing, arbitrating or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

A true and correct copy of the May 28 Order which I received from the Court is attached as Exhibit A in support of the Motion.

3. On June 5, 1992, I gave notice to Armstrong's lawyers, Ford Greene and Paul Morantz, of the May 28 Order. A true and correct copy of the Notice with exhibits and proofs of service is attached as Exhibit S in support of the Motion.

4. At a deposition of Gerald Armstrong ("Armstrong") in this case on June 24, 1992, he and my co-counsel, Andrew Wilson, had the following exchange regarding the December 1986 "Mutual

Release and Settlement Agreement" between the Church and Armstrong ("Settlement Agreement") and the May 28 Order:

> A. . . . I have absolutely no intention of honoring that settlement agreement. I cannot. I cannot logically. I cannot ethically. I cannot morally. I cannot psychically. I cannot philosophically. I cannot spiritually. I cannot in any way. And it is firmly my intention to not honor it.
>
> Q. No matter what a court says?
>
> A. No court can order it. They're going to have to kill me.

A true and correct copy of the relevant page of the transcript of that deposition, p. 124, accurately reflecting the statements of Armstrong and myself, is attached as Exhibit F to the Motion.

5. At a continuation of Armstrong's deposition in this case on October 7, 1992, Armstrong and I had the following exchange regarding the May 28 Order:

> Q. When was the next time you spoke to Mr. Welkos or Mr. Sappell?
>
> A. Around the time of the Sohigian ruling.
>
> Q. This is another telephone conversation?
>
> A. In that I only met Mr. Welkos on that one occasion, yes.
>
> Q. I apologize. You said that, and I forgot. And this was a conversation with Mr. Welkos?
>
> A. Yes
>
> Q. Did you call him, or did he call you?
>
> A. I believe I originated the conversation.
>
> Q. What did he say to you, and what did you say to him, during that conversation?
>
> A. I believe I advised him of the Sohigian ruling.

Q. Did you discuss anything else with him?

A. I think it was -- That's all that I recall being the subject of the discussion at that time.

Q. Did you tell him that as a result of the Sohigian ruling, you now felt that you were more free to do things that you had been constrained about doing before?

A. No, I never said that. Because I did not feel I was constrained before. But rather that by specifically denying the injunction as to all of those things which the organization sought in the preliminary injunction, that I was free from the potential of an injunction.

A true and correct copy of the relevant pages of the transcript of that deposition, pp. 378-379, accurately reflecting the statements of Armstrong and myself, is attached as part of Exhibit D to the Motion. On behalf of my client the Church, I allege that the statements made by Armstrong under oath as quoted in this paragraph and the paragraph immediately preceding in this declaration are acknowledgements by Armstrong of his awareness of the May 28 Order, his ability to act in compliance of such order and his intention to wilfully disobey its terms.

6. At a continuation of Armstrong's deposition in this case on July 22, 1992, he acknowledged to me under oath that he continued to be employed by Ford Greene as a paralegal. A true and correct copy of the relevant pages of the transcript of that deposition, pp. 186-189, accurately reflecting the statements of Armstrong and myself, is attached as Exhibit H to the Motion.

7. On July 7, 1992, I received in the mail a notice of association from Ford Greene announcing that he again represented Vicki and Richard Aznaran in the matter of Vicki Aznaran and Richard Aznaran v. Church of Scientology International, et al.

U.S. District Court, Central District of California No. CV-88-1786-JMI(Ex) ("Aznaran v. Church"). On that day, I sent Mr. Greene a letter by telecopier and first class mail. A true and correct copy of that letter is attached as Exhibit I to the Motion. In that letter, I requested that Mr. Greene inform me of the steps that had been and that would be taken to ensure that Armstrong did not violate the terms of the May 28 Order, in particular the prohibition that prevented Armstrong from assisting the Aznarans in their case.

8. On or about July 12, 1992, I received a letter from Mr. Greene, dated July 11, 1992, which responded to the above referenced letter of July 7, 1992. A true and correct copy of that letter is attached as Exhibit J to the Motion. In that letter, Mr. Greene pointedly declined to provide any specific assurances that Armstrong would not assist the Aznarans or any other anti-Church litigant or claimant in violation of the above-cited terms of the May 28 Order. Instead, he characterized the May 28 Order as "somewhat cryptic and difficult to enforce" and that as to Armstrong's compliance with said order, I "would simply have to take [Mr. Greene's] word for it."

9. In July, 1992, following my receipt of a copy of a ruling of Judge Ideman in Aznaran v. Church transferring that case from the Central District of California to the U.S. District Court in Dallas, Texas, I received a telephone call from Armstrong in which he stated that he was calling from Mr. Greene's office and that he needed to receive immediately by fax such transfer ruling of Judge Ideman. I told Armstrong that the May 28 Order prohibited him from assisting the Aznarans or any

other litigants against the Church. He replied that he was trying to help the Aznarans. On behalf of my client the Church, I allege that the statements made by Armstrong as relayed in this paragraph are acknowledgements by Armstrong of his awareness of the May 28 Order, his ability to act in compliance of such order and his intention to wilfully disobey its terms.

10. On July 18, 1992, I sent another letter to Mr. Greene by telecopier and first class mail, responding to his July 11, 1992 letter, accurately describing my above referenced July, 1992 conversation with Armstrong and reiterating that Armstrong was required to immediately cease all work for the Aznarans and to cease all actions in violation of the May 28 Order. A true and correct copy of that letter is attached as Exhibit K to the Motion.

11. I received no response to my July 18, 1992 letter from Mr. Greene. However, on or about August 1, 1992, I received two proofs of service for Mr. Greene's pleadings in the Aznaran v. Church case, each of which was executed by Armstrong. True and correct copies of those proofs of service are attached as Exhibit L to the Motion. On behalf of my client the Church, I allege that the actions taken by Armstrong as relayed in this paragraph are acknowledgements by Armstrong of his ability to act in compliance of the May 28 Order and his intention to wilfully disobey its terms.

12. In the continuation of Armstrong's deposition in this case on October 7 and 8, 1992, during which I further examined Armstrong, he made several additional admissions that I allege indicate his awareness of the May 28 Order, his ability to act in

compliance of such order and his intention to wilfully disobey its terms. These admissions include Armstrong's statements that he broadly discussed with the Aznarans matters relating to their case against the Church, that he assisted in the relay of communications between the Aznarans and Mr. Greene and that he was assisting three other persons, Tillie Good, Denise Cantin and Ed Roberts, each of whom is making claims, through Mr. Greene's office, against Churches of Scientology protected by the May 28 Order. A true and correct copy of the relevant pages of the transcript of this deposition, pp. 448-458, accurately reflecting the statements of Armstrong, Mr. Greene and myself, is attached as part of Exhibit D to the Motion. True and correct copies of Mr. Greene's demand letters against various Churches of Scientology on behalf of Ms. Good, Ms. Cantin and Mr. Roberts received by me and/or my firm are attached as Exhibits M, N and O respectively to the Motion.

13. On December 26, 1992, I received by U.S. mail a letter signed by Gerald Armstrong, dated December 22, 1992, and addressed to "David Miscavige and all other individuals who participate in the control of Scientology, C/O Laurie J. Bartilson, Esquire" ("December 22 Letter"). A true and correct copy of the December 22 Letter is attached to the moving papers as Exhibit G.

14. In what can only be described as deliberate harassment, Armstrong also sent copies of the letter to 35 individuals and groups, including anti-Church litigants, such as Vicki and Richard Aznaran, Larry Wollersheim and Joseph Yanny, and lawyers who represent clients in actions brought against one of more

churches, including Toby Plevin, John Elstead, and Dan Leipold.

15. Armstrong spends the bulk of the December 22 Letter vilifying the Church and its members, and threatening further breaches of the settlement agreement, and violations of the preliminary injunction, if his demands are not met. Although Armstrong has publicly disavowed any interest in money, he insists that the Church pay him $500,000 for his "legal fees and costs," "cancel" the settlement agreement, and pay unspecified amounts of money to other anti-Church litigants if the Church wishes to avoid Armstrong's threatened violations.

16. Specifically, Armstrong threatens that, if his demands are not met, that he will travel voluntarily to South Africa to testify against a church of Scientology, give interviews to the media, and voluntarily assist anyone and everyone opposing Churches that he can locate. [Id. pp. 3, 4, 6, 7, 8] Expressing the viewpoint that the May 28 Order places no restrictions whatsoever on his conduct, Armstrong states,

> I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted to do I am going to do. . . .
>
> I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. . . . I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

[Exhibit G, p. 3].

17. The Cult Awareness Network is an anti-religious group that advocates the kidnapping and forcible "deprogramming" of individuals belonging to religions which they have identified as

"cults." While the Church is not presently suing the Cult Awareness Network in any litigation, the president of the Cult Awareness Network, Cynthia Kisser, has initiated an action against the Church and its president, Heber Jentzsch.

18. Richard Behar is the author of a Time cover story concerning the Church which ran in May, 1991. The Church is presently engaged in a lawsuit against Time and Behar for defamation.

19. In the December 22 Letter, Armstrong also makes plain the personal contempt which he has for a Court which would rule against him:

> There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me not to defend myself.

[Id. p. 5].

20. These recent pronouncements by Armstrong make plain that nothing short of a criminal contempt order is likely to end Armstrong's misconduct.

21. On December 30, 1992, I received a videotape identified by the initial speaker as a November 6, 1992 interview of Armstrong. Jerry Whitfield and others participated in such interview which, on information and belief, took place at the Los Angeles convention in early November, 1992 of the so-called "Cult Awareness Network" ("CAN"). A true and accurate copy of the video tape is attached and lodged as Exhibit Q to the Motion. A true and accurate transcript of the conversation between

Armstrong, Mr. Whitfield and others as reflected on said videotape is attached as Exhibit P to the Motion. During this recorded interview, Armstrong makes the following statement:

> . . . I cannot, except pursuant to a subpoena, assist someone intending to file a claim or pressing a claim against the organization. Now then we are appealing even that narrow ruling, because that's unenforceable because if you construe that my ... that this video could possibly indirectly help someone in the future, I can't do this. And not only that but if you consider that my existence indirectly or directly helps someone, then I'll oblige to take my own life. In other words, I must stop breathing. It's unenforceable. I feel I am completely at liberty to associate with whomever I want, to talk to whomever I want, and I act and live that way. And that is in part why I am here at this event now, why I came to the CAN conference.

Exhibit P, p. 34.

On behalf of my client the Church, I allege that the statements made by Armstrong as relayed in this paragraph are further acknowledgements by Armstrong of his awareness of the May 28 Order, his ability to act in compliance of such order and his intention to wilfully disobey its terms.

22. Mr. Whitfield is a defendant in the matter of Casillas v. Jerry Whitfield, et al., Los Angeles County Municipal Court No. 91K49349. My office represents Mr. Casillas in that action. Mr. Casillas is a staff member of the Church and is suing Mr. Whitfield and others for false imprisonment and false arrest.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 31st day of December, 1992 at Los Angeles, California.

H:\ARMSTRON\BART.DEC

Laurie J. Bartilson

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LAURIE J. BARTILSON †
HELENA K. KOBRIN ‡

* ALSO ADMITTED IN OREGON
± ALSO ADMITTED IN THE DISTRICT OF COLUMBIA
† ALSO ADMITTED IN MASSACHUSETTS
‡ ALSO ADMITTED IN FLORIDA
§ ALSO ADMITTED IN ILLINOIS
# ALSO ADMITTED IN OKLAHOMA

PETER M. JACOBS
RANDALL A. SPENCER §
ROBERT A. WIENER #
LESLIE T.W. SOASH
AVA MARIE SANDLIN

OF COUNSEL
JEANNE M. GAVIGAN
MARCELLO M. DI MAURO
KAREN L. BROWN
KAREN D. HOLLY

1621

July 23, 1993

BY TELEFAX AND U.S. MAIL

Ford Greene
711 Sir Francis Drake Blvd.
San Anselmo, California 94960-1949

Re: Church of Scientology International v. Gerald Armstrong

Dear Mr. Greene:

Please take notice that on Monday, July 26, 1993, at 8:30 a.m., plaintiff Church of Scientology International will appear in Department 86 of the Los Angeles Superior Court, and request that an order issue, pursuant to Code of Civil Procedure Section 1212, directing Gerald Armstrong to show cause why he should not be held in contempt of court and sanctioned. Plaintiff intends to base its request on the declaration, dated June 4, 1993, which Armstrong provided to Larry Wollersheim and his attorneys in direct contravention of the injunction issued in this case by Judge Sohigian on May 28, 1992.

Sincerely,

BOWLES & MOXON

Laurie J Bartilson

Laurie J. Bartilson

LJB:mfh

Enc.

cc: Paul Morantz **BY TELEFAX AND U.S. MAIL**
cc: Andrew H. Wilson **BY TELEFAX AND U.S. MAIL**

1622

HUB LAW OFFICES
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

FORD GREENE
LAWYER

LICENSE NO. 107601
FACSIMILE (415) 456-5318

July 23, 1993
1207 PDT

Laurie J. Bartilson, Esquire
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, CA 90028

BY FAX (213)953-3351

Dear Ms. Bartilson:

I have been directed by Mr. Greene to ask you to fax to this office immediately all your papers relating to your attempt to have me held in contempt for providing a declaration to Lawrence Wollersheim.

Thank you for your attention to this matter.

Yours sincerely,

Gerald Armstrong
for Ford Greene, Esquire

:ga

BOWLES & MOXON
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# ALSO ADMITTED IN OKLAHOMA

PETER M. JACOBS
RANDALL A. SPENCER §
ROBERT A. WIENER #
LESLIE T.W. SOASH
AVA MARIE SANDLIN

OF COUNSEL
JEANNE M. GAVIGAN
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KAREN L. BROWN
KAREN D. HOLLY

1623

July 23, 1993

BY TELEFAX AND U.S. MAIL

Ford Greene
711 Sir Francis Drake Blvd.
San Anselmo, California 94960-1949

Re: Church of Scientology International v. Gerald Armstrong

Dear Mr. Greene:

I am in receipt of the attached letter from your client, Gerald Armstrong.

In light of the unfounded accusations which you have leveled at me in the past, I am sure you can appreciate that I am unwilling to engage in any direct communication with your client, absent your written authorization.

As soon as the order to show cause papers are completed, I will fax them to your office, as has always been our custom. They are as yet incomplete.

Please advise whether or not you intend to oppose the application.

Sincerely,

BOWLES & MOXON

Laurie J. Bartilson

LJB:mfh
Enc.
cc: Paul Morantz **BY TELEFAX AND U.S. MAIL**
cc: Andrew H. Wilson **BY TELEFAX AND U.S. MAIL**

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Los Angeles, California 90028.

On July 26, 1993 I served the foregoing document described as DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF SECOND APPLICATION FOR ORDER TO SHOW CAUSE WHY GERALD AMRSTRONG SHOULD NOT BE HELD IN CONTEMPT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

[X] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on July 26, 1993 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on _________________, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Jerry Hanlon
Print or Type Name

Jerry Hanlon
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On July 26, 1993 I served the foregoing document described as DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF SECOND APPLICATION FOR ORDER TO SHOW CAUSE WHY GERALD AMRSTRONG SHOULD NOT BE HELD IN CONTEMPT on interested parties in this action.

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

PAUL MORANTZ
P.O. Box 511
Pacific Palisades, CA 90272

[ ] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on ________ at Los Angeles, California.

[X] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on July 26, 1993 at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Print or Type Name	Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
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HOWARD HANSON
MARIN COUNTY CLERK
BY

FILED
LOS ANGELES SUPERIOR COURT
JUL 26 1993
JAMES H. DEMPSEY, CLERK
BY R. MATTHEWS, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

157680

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; DOES 2 through 25, inclusive, Defendants.	CASE NO. BC 052395 EX PARTE APPLICATION FOR ORDER TO SHOW CAUSE WHY GERALD ARMSTRONG SHOULD NOT BE HELD IN CONTEMPT OF COURT; MEMORANDUM OF POINTS AND AUTHORITIES DATE: July 26, 1993 TIME: 8:30 a.m. DEPT: 86 DISCOVERY CUT-OFF: None MOTION CUT-OFF: None
AND RELATED CROSS-COMPLAINT	TRIAL DATE: Vacated

Plaintiff Church of Scientology International hereby applies for an order from this Court directing defendant Gerald Armstrong to show cause why he should not be held in contempt of this Court and sanctioned for such contempt.

Armstrong is subject to this Court's May 28, 1992 preliminary injunction order prohibiting him from voluntarily assisting any person litigating a claim against any of several

Churches of Scientology, including plaintiff CSI and the Church of Scientology of California. A primary basis for the issuance of that injunction was Armstrong's giving declarations to parties adverse to the Church of Scientology in various litigation. While Armstrong has appealed from that order, this does not give him license to violate it in the interim. Nevertheless, he has not only stated under oath that he would never obey the order, he has now voluntarily executed on June 4, 1993 a declaration in support of defendant Larry Wollersheim in the matter of Church of Scientology of California v. Wollersheim, Los Angeles Superior Court No. BC 074815. Armstrong's act violates the unambiguous terms of the May 28 order and should be criminally sanctioned by fine and/or imprisonment under Code of Civil Procedure § 1218.

On December 31, 1992, plaintiff filed an application for OSC, following documentation of at least six prior instances of contempt by Armstrong. This Court, on March 5, 1993, held enforcement of the May 28 order in abeyance for two months because the Court of Appeal might soon rule on the defendant's appeal of the May 28 order and this ruling might dispose of some issues facing this Court. Now some three months later, two intervening rulings and Armstrong's June declaration in violation of the May 28 order have made this new application necessary and proper.

On May 26, 1993, on CSI's motion for clarification, the Hon. David Horowitz, trial judge in this matter, ruled that while he had stayed the underlying action pending the outcome of the appeal, he had not stayed the enforcement of the injunction. Then, on June 29, 1993, the Court of Appeal denied CSI's unopposed motion for expedited hearing schedule.

While the parties now face at least a month-long delay on resolution of the appeal, Armstrong's declaration in Wollersheim indicates that he will continue to violate the clear prohibitions of the May 28 order when and where he pleases. That order is not stayed and, under the current circumstances, must be enforced by this Court until such time, if any, that the higher court decides otherwise.

This application is based upon the attached memorandum of points and authorities; declaration of Laurie Bartilson and other supporting exhibits; the pleadings and records on file in this case, including plaintiff's December 31, 1992 ex parte application for order to show cause why Gerald Armstrong should not be held in contempt; and such further evidence and argument as may be allowed at any hearing on this application.

Defendant Armstrong has been notified of this application pursuant to California Rules of Court, Rule 379 and Law and Discovery Policy Manual ¶ 261, et seq. Bartilson Declaration, ¶ 7. A proposed form of order is being submitted with this application.

Dated: July 25, 1993

Respectfully submitted,

BOWLES & MOXON

By: Laurie J. Bartilson

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

CSI brings this second application to end Armstrong's repeated and deliberate violations of the May 28, 1992 preliminary injunction order. That order prohibits Armstrong from voluntarily assisting persons who are litigating against plaintiff and affiliated Churches of Scientology, including the Church of Scientology of California. Armstrong's recent submission of a sworn declaration to this Court in the Church of Scientology of California v. Wollersheim case, as enumerated in the supporting Bartilson declaration, clearly violates that prohibition.

In March, 1993, this Court expressed some reluctance to enforce the May 28 order when the Court of Appeal was expected to rule shortly on Armstrong's appeal. The only issue which the Court of Appeal might decide which could possibly affect a contempt hearing is whether the injunction is vague or overbroad. This is the only possible defense to Armstrong's violation of the injunction. While the Court of Appeal might dismiss other "defenses" cited by Armstrong, these are not defenses to a contempt charge. As Judge Horowitz recently found, this prohibitory injunction has not been stayed pending Armstrong's appeal. The Court of Appeals has underscored this Court's jurisdiction and duty to punish clear violations of that order during the pendency of the appeal by declining CSI's unopposed motion to expedite the hearing in that appeal. After all, CSI posted an appeal bond to protect Armstrong in the event that the order was improvidently issued by this Court. No quick ruling can be expected from the higher court. There is no basis for further delay in this Court enforcing the May 28 order.

Armstrong has sworn under oath that he has no intention of complying with the May 28 order. His June 4, 1993 declaration in Wollersheim is the latest and perhaps most unequivocal case-in-point. Without an unequivocal and prompt assertion of this Court's authority in enforcing that order, it is virtually certain that Armstrong will continue to flaunt that authority throughout the appeal process, and beyond.

II. FACTUAL STATEMENT

A. Armstrong's Sworn Intention to Disregard the May 28 Order

In its December 31, 1992 ex parte application for order to show cause, plaintiff detailed to this Court at least six earlier instances of Armstrong's violations of the May 28 order. That order states, in part:

> Defendant Gerald Armstrong ... and persons acting in concert ... with him ... are restrained and enjoined during the pendency of this suit pending further order of this court from ... [v]oluntarily assisting any person ... litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December 1986.

Exhibit A, May 28 order, p. 2, ¶ 6 (emphasis supplied).[1] Less than a month after the May 28 order was issued, Armstrong asserted under oath in deposition that he would not honor its terms.

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[1] The persons and entities protected by the prohibition against voluntary assistance include plaintiff CSI and the Church of Scientology of California. Exhibit B, Mutual Release of All Claims and Settlement Agreement, p. 1, ¶ 1.

> I have absolutely no intention of honoring that settlement agreement. I cannot. I cannot logically. I cannot ethically. I cannot morally. I cannot psychically. I cannot philosophically. I cannot spiritually. I cannot in any way. And it is firmly my intention not to honor it.
>
> Q. No matter what the court says?
>
> A. No court can order it. They're going to have to kill me.

Exhibit C, June 24, 1992 deposition of Gerald Armstrong, p. 124; Bartilson Declaration, ¶ 4.[2]

B. There is No Prospect of a Prompt Ruling from the Court of Appeal

On December 31, 1992, plaintiff CSI applied for and obtained an order to show cause re contempt, requiring Armstrong to appear and answer allegations that he had violated the May 28 order at least six times.

On March 5, 1993, this Court declined to rule on the contempt issue because of Armstrong's pending appeal on the May 28 order. Looking to a prompt resolution on the appeal, the matter was continued to June 1, with the Court commenting:

> If [the May 28 order] is a valid order, each time he disobeys it, he faces five days in jail. I take contempt very seriously. And, I mean, I don't treat it lightly and he just does it at his peril.

Exhibit E, transcript of March 5, 1993 hearing, p. 5.

On March 23, 1993, Judge Horowitz of this Court vacated the trial date in the case and stayed the proceedings pending the outcome of Armstrong's appeal. Exhibit F, March 23, 1993 minute order. On May 26, 1993, on CSI's motion, he clarified his stay of the proceedings had not stayed the effect of the May 28 order. Exhibit G, May 26, 1993 minute order; Exhibit H, transcript of May 26, 1993 hearing.

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[2] Armstrong also stated his intent to ignore the May 28 order in a December 22, 1992 letter to plaintiff's counsel. Exhibit D. See December 31, 1992 application, pp. 4 - 5.

On May 11, 1993, CSI filed with the Second Appellate District for the Court of Appeal a motion for expedited hearing schedule, demonstrating that Armstrong was using the filing and the pendency of the appeal as an excuse to ignore the prohibitions of the preliminary injunction issued by this Court. Armstrong filed a brief on May 26 indicating his non-opposition and urging a prompt resolution of the appeal issues.

On June 29, 1993, the Court of Appeal issued an order which denied the motion for expedited hearing. Exhibit I, June 29, 1993 order.

C. Armstrong's June 4, 1993 Declaration Violates the May 28 Order

While there is now no prospect for a prompt hearing and resolution of Armstrong's appeal, he has continued to violate the May 28 order. On June 4, 1993, Armstrong executed a five-page declaration containing his now familiar inflammatory, distorted and false claims regarding his purported experiences while a member of the Church of Scientology. Exhibit J, June 4, 1993 Declaration of Gerald Armstrong. That declaration was filed with this Court on or about June 17, 1993 as support for long-time Church detractor Larry Wollersheim's motion to strike in Church of Scientology of California v. Wollersheim, Los Angeles County Superior Court No. 074815. Wollersheim has been a litigant actively pursuing claims against Church of Scientology of

California since 1980. Bartilson Dec., ¶ 5. The execution and delivery of this declaration by Armstrong to Wollersheim is a violation of the unequivocal prohibition in the May 28 order against voluntary assistance to Church adversaries in litigation. As with the six instances detailed in the December 31, 1992 application, this latest defiance of the May 28 order is not accidental. It is Armstrong's deliberate and flagrant contempt of this Court's authority. Whatever arguments Armstrong may make about the injunction's breadth or uncertainty, he cannot claim that he was unsure as to whether his signing of Exhibit J violated it.

III. DISCUSSION

A. Armstrong's Demonstrated Contempt Warrants Fine and/or Imprisonment

This Court has the power to punish acts, as here, which impede and obstruct the discharge of the Court's duties. Code of Civil Procedure § 1209, et seq., Morelli v. Superior Court (1969) 1 Cal.3d 328, 333, 82 Cal.Rptr. 375 (criminal contempt proceedings arising out of a civil action are to vindicate the authority of the court).

> [T]he following acts or omissions in respect to a court of justice, or proceedings therein, are contempts of the authority of the court: 5. Disobedience of any lawful ... order ... of the court.

Code of Civil Procedure § 1209(a). See also, Brown v. Brown (1971) 22 Cal.App.3d 82, 84, 99 Cal.Rptr. 311 (court has inherent power to enforce execution of its equity decrees); Vanderstok v. Bank of America (1972) 29 Cal.App.3d 731, 734, 105 Cal.Rptr. 699 (contempt proceeding is a proper process for enforcement of an injunction order).

In order to establish such an indirect contempt committed outside of the immediate presence of the Court, the moving party must show by sworn statement facts constituting the violation of the court's order. Code of Civil Procedure § 1211. The moving party's declaration need only make a prima facie showing of the elements of contempt. Crawford v. W.C.A.B. (1989) 213 Cal.App.3d 156, 169, 259 Cal.Rptr. 414, 422-423 (elements of contempt are existence of lawful court order; contemnor's knowledge or notice of the order; and contemnor's wilful disobedience of the order despite ability to comply).

CSI, through the accompanying declaration of Laurie Bartilson, has met the requirements for the requested order to show cause. That declaration shows: (a) issuance of the valid May 28 order (¶¶ 2,3); (b) notice to Armstrong of the May 28 order (¶ 2); (c) Armstrong's knowledge of the May 28 order (¶ 2); (d) Armstrong's ability to comply with the order (¶ 2); and (e) Armstrong's wilful disobedience (¶ 5).

B. The Injunction Order is Not Stayed by the Pending Appeal

Prohibitory injunctions such as the May 28 order are not stayed pending appeal. Civil Code § 3368; Code of Civil Procedure § 525; Agricultural Labor Relations Board v. Kern County Superior Court (1984) 149 Cal.App.3d 709, 712, n. 2, 196 Cal.Rptr. 920, 922. Judge Horowitz has accordingly ruled that the May 28 order is in effect and enforceable notwithstanding a stay on the underlying case pending the appeal. Exhibits G, H. See also, Exhibit A, May 28 Order, p. 2, ¶ 6 (Armstrong restrained during pendency of the suit; there is no subsequent order modifying this).

Without such a stay, the prohibitory injunction must be obeyed notwithstanding any pending appeal challenging the substantive basis of that injunction. Walker v. City of Birmingham (1967) 388 U.S. 308, 321 (persons subject to injunction order are not free to disobey or collaterally attack it because they are pursuing an appeal, as here, on constitutional grounds). The Court of Appeal has accordingly ruled that it need not expedite the hearing on the appeal out of plaintiff's concern that Armstrong will be violating the order in the interim.

Until any higher court ruling to the contrary, this Court's May 28 order is valid and Armstrong violates the order "at his peril." Enforcement of the injunction is properly within the power of this Court and the speed of the appeal has no bearing on the exercise of such power.

C. The Ruling Appealed Will Not Dispose of Any Issue Relevant to This Contempt Proceeding

This Court's decision to defer hearing the previous contempt application was based upon its perception that the injunction issued by Judge Sohigian might be found to be overbroad or vague. The Court recognized that this would be the only basis upon which Armstrong could legitimately refuse to obey an injunction entered against him. This recognition of the Court was in direct response to Armstrong's argument that he was being subject to contempt for acts which were not unambiguously subject to the injunction. See, Transcript of Proceedings, Exhibit E.

Armstrong can make no such argument here. The injunction has entered because Armstrong was giving voluntary declarations to persons litigating against CSI and protected entities. Ex. K, Memorandum of Points and Authorities in Support of Motion for Preliminary Injunction at pp. 7-10. Wollersheim is unequivocally a "person...litigating a claim against" the Church of Scientology of California, a protected entity. Bartilson Dec., ¶ 3. Armstrong's June 4, 1993 declaration, provided to Wollersheim and/or his attorneys and used by them in litigation against the Church of Scientology of California, is as crystal clear a violation of the injunction as can possibly be imagined.

IV. CONCLUSION

Gerald Armstrong should be ordered to show cause why he should not be held in criminal contempt of this Court for his June 4, 1993 declaration, with punishment in the form of a fine not to exceed $1,000.00 and/or jail time not to exceed five days as this Court sees fit. Code of Civil Procedure § 1218. Without such action, Armstrong has already demonstrated that he will continue to violate with impunity the terms of the May 28 order.

Dated: July 25, 1993

Respectfully submitted,

BOWLES & MOXON

By: Laurie J. Bartilson

Laurie J. Bartilson

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

H:\ARMSTRON\EXPARTE

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International
vs.
Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

1640

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable **Ronald M. Sohigian,** Judge
1a

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For
Plaintiff

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1b

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of $70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

DEPT. 88

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1c

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

vs.

Gerald Armstrong, et al.

Counsel For Plaintiff

Counsel For Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

RONALD M. SOHIGIAN
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

GERALD ARMSTRONG

Witness

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:

M. J. Flynn
MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

Heber C. Jentzsch
for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

IN AND FOR THE SUPERIOR COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

CERTIFIED COPY

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,
Plaintiff,

vs.

Case No. BC 052395

GERALD ARMSTRONG; DOES 1
through 25, inclusive,
Defendants.

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

since, since '89.

Q. Okay.

A. When, I mean, I have, I have absolutely no intention of honoring that settlement agreement. I cannot. I cannot logically. I cannot ethically. I cannot morally. I cannot psychically. I cannot philosophically. I cannot spiritually. I cannot in any way. And it is firmly my intention to not honor it.

Q. No matter what a court says?

A. No court could order it. They're going to have to kill me.

Q. Well, let's just hope we don't have to turn this into a death penalty case.

A. Into a what?

Q. A death penalty case.

A. Right, but you guys would.

Q. I'm not the one who stands up and pounds the table and screams at people in this deposition, your lawyer is. If I were to stand up at this deposition and scream at you to shut up, would you consider that to be an act of fair game?

A. I consider the whole thing --

Q. I know, but if I were to stand up and yell at to you shut up, would you consider that to be fair game?

December 22, 1992

David Miscavige and all other individuals who participate in the control of Scientology
C/O Laurie J. Bartilson, Esquire
Bowles & Moxon
6255 Sunset Blvd., Suite 2000
Los Angeles, CA 90028

Re: Nothling v. Scientology

Dear David and all others involved:

I am writing this to you, and the various copy recipients listed below, because there are certain things it is fair that you know. Although it is the trial in the Nothling case, which, I understand, is set for early February, that has moved me to write at this time, the idea of writing has made addressing a number of other subjects also timely.

You will recall that in June of 1991 when Malcolm Nothling called me and asked me to testify in his case in Johannesburg I wrote to the organization via Eric Lieberman to see if by initiating communication on the subject you might see that there was an answer to your litigation problems different from the one you and your erstwhile leader had been believing in and pursuing as long as any of us can remember.

Mr. Lieberman wrote back, essentially advising me you said stick it in my ear, and that more, not less litigation was going to be the same old solution; and to not expect communication other than the solidest of sorts. Copies of Mr. Lieberman's and my letters are enclosed herewith.

I did travel to South Africa in 1991 to testify, as you know, but the trial was postponed on the organization's motion. Now it's set to happen again. Again Mr. Nothling has asked me to testify, again I have agreed, and again I am writing you to see if there is any sense in attempting to unfoment this litigation.

Your public attack line that Gerald Armstrong foments litigation against you is particularly hurtful because of what I have done and continue to do to unfoment litigation. Even my signing of your settlement agreement was, in the face of your intent to hurt me, which fact is settled by the agreement itself, an act only of unfomentation.

You all should take a good hard look at the hurt your practices, certainly your litigation practices, cause in the world. And you don't have to desist in them because of anything I've said. You can knock off those bad practices for any reason you want, including because they don't work and make no sense.

All the decent people, believe me, in your organization want you to get out of the stupid attack-the-attacker business, and they'd salute you for getting the organization out of that silliness, but they're too frightened. You shouldn't frighten good people that way. It's cruel. And any thinking soul knows that you guys are only acting out of fear, so you really are not fooling anyone with your blindness and bluster.

I realize you've put your faith in really bad things, like lies and PR, threats and bullying, and really mean people, like Gene Ingram. And I'm aware that having put your faith in badness for so long, and spent so many millions of dollars to have so many bad lawyers make so many bad decisions and add so much to their brethren's bad name, it can seem impossible to quit. But you must. All it will take is the willingness to unfoment your litigation.

Eugene M. Ingram has done such nasty things to so many people in the service of your organization, you and he should be spanked. His terrible charge at the CAN convention that I have AIDS is heartbreaking, not because I have AIDS, which I don't, but because your pet pit viper personalizes and focuses your organization's institutionalized hatred.

By accusing me of having AIDS, you and Ingram attack not just me, you attack the many people whose lives have been touched by this disease, or for that matter touched by your organization, and you attack yourself. Your similar-veined attacks on other people of good will at the CAN conference, like Father Kent Burtner, has brought your organization to ignomy.

But the target of faith can be rechosen. And that is where I urge sense and unfomentation. Put your faith in what is real, what is true, what can always be depended on. Put your faith in what in people is true, unchanging and ceaselessly loving. Putting your faith in lies, PR, threats, bullying and bullies you will always betray yourself because you put your faith in nothing; and you and every being everywhere have a right to everything that nothing isn't.

Likewise don't put your faith in litigation or your use of the courts to harass. It is possible to be faithful to a higher ideal than wins in court. If you have put your faith in lies, leverage, advantage and bullying to secure a win, you have gained nothing. If you put your faith in truth, hope, charity, love, no matter the courtroom outcome you have everything; that's religion.

Since the 1991 almost trial in the Nothling case the California Court of Appeal issued its opinion in the appeal you took from the Breckenridge decision in Armstrong I, the California Supreme Court denied review, and the Court of Appeal denied your motion to seal the appellate record. You brought and lost the motion to enforce the settlement agreement before Judge Geernaert in Armstrong I, and then you sued me to enforce it in Armstrong II.

In May Judge Sohigian issued his ruling refusing to enforce the agreement, although enjoining me from testifying unless pursuant to a subpoena. He also ruled that I did not have to not make myself amenable to service of process. I will supply a copy of the Breckenridge decision, the Armstrong opinion and the Sohigian injunction to any of the recipients of this letter upon request.

Because you didn't appeal from the Sohigian injunction, you have accepted it. I believe as well that for a valueless desire for a valueless win at any cost you also accepted his dicta; e.g. "involves abusing people who are weak," "involves techniques of coercion," "a very, very substantial deviation between [your] conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior," "be sure you cut the deck," "make sure to count all the chips."

As a result, I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted do I am going to do. I am going to write freely, speak freely, publish, talk to the media, associate freely, and continue, until you put your faith in something more religious than what is bad in jurisprudence, to confront the injustice you bring to court.

In the next month or so I expect to initiate speaking or media events to help pay the enormous costs of this litigation. And I expect to promote my legal position within the publishing industry, because my story and my writings on the subject are literarily and commercially worthy.

I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. I will make my knowledge and support available to any Scientologist who is afraid to go anywhere else for understanding, and to the families of Scientologists your organization has estranged. I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

I will, nevertheless, remain available to do whatever I can to unfoment your litigation. I will meet with you, talk with you, help you to find a better solution to your problems. Because of your decision to not have anyone communicate with me, no one from your organization has. I get a little lawyer contact, lots of PI BS, an OSA hearing or deposition attender, enough psychic skirmishes for an army, but, for the life of me, no real people.

In 1991, fantastically, I was the only person in the world, other than Malcolm Nothling himself, who was willing to testify at his trial. And that was enough reason to go. In February 1993, although at this trial I probably won't be the only person willing to testify, there will still be ample reasons to go, unless the case can be resolved.

I really would rather there was no trial and I really would rather not go. Lord knows this last period has been overwhelming and the litigation behemoth terrifying; and Lord knows I have my own calling, which has nothing to do with your legal problems. So I'm willing to do a lot to unfoment the Nothling litigation, and all the tangled legal webs you've woven. But I sure can't do much if you continue to see legal warfare as the solution to your problems and continue to pay the millions your legal mercenaries say the warfare costs.

I am aware that with enough money to enough lawyers you, the leaders of your organization, can hide yourselves and make your roles in your trumped-up war seem very important. There is no doubt this is desirable, it just isn't fair. The real purpose of your little war is to facilitate your doing something different from Scientology, while all those whom you control must go through the daily grind you say you're above.

I don't fault you for doing something different from Scientology, but I do not find acceptable your holding Scientologists in bondage to your catastrophic cause, enforcing your lie that you have their best interests in mind, robbing their years of youth and vigor, and putting them at risk while you show up at the occasional ribbon cutting ceremony, lunch with lawyers and the like, sucker celebs, run PIs and intel ops, conspire, cheat, lie, steal, bully and destroy. I urge something more creative as a better idea.

Your hardworking staff members and people of good will around the world who have supported you financially and spiritually will not for much longer be fooled by your foolishness and will stop believing your lies. They will speak to each other, they will speak out against your suppression, and they will act to free themselves and their friends. You cannot much longer, as we move societally into the age of wisdom, cynically and sillily intimidate good people with threat and suppress good people with lies.

There is the matter of mitigation of damages which, because you insist your lawyers tell you what you pay them to say, you may not have heard or yet understood. In that by the Sohigian ruling I am permitted to speak freely, write freely, publish freely, associate freely, when, it could be argued, and you have, that prior to the ruling and pursuant to the settlement agreement I was not so permitted, I have, in your attempt to enforce the agreement, prevailed.

By not appealing the Sohigian ruling you have acquiesced thereto. I am therefore due costs and fees in Armstrong II plus the costs and fees you already owe in your earlier losing and unappealed effort in Armstrong I. But in addition to the fees and costs now owing, and increasing as you protract this already lost litigation, there is the cumulative effect of your legal onslaught which, continuing after the case was lost, if not before, is in every minute malicious.

Gerald Armstrong and The Gerald Armstrong Corporation (TGAC) must also mitigate their damages. I have a duty, therefore, to end this litigation as quickly as possible. Thus I write to so many organizational recipients; thus I canvass to see if within the organization's many parts, all put at risk by their leaders' asininity and mean-spiritedness, there are people of good will who will see sense in what is in their best interest.

That after the Sohigian ruling you sued TGAC (pronounce that Tee-Gee-Ack) is silly and self-destructive. The only thing in the world Gerald Armstrong, individual, is prohibited from doing by the "injunction," is testifying about his Scientology history and knowledge without first accepting the perfunctory subpoena. TGAC only came into existence in 1987, six years after Gerald Armstrong's organization experiences ended, and a year after the Armstrong I litigation "settled."

TGAC cannot testify, with or without subpoena, about any Scientology experiences, because it has had, aside from those which have flowed from your lawsuit, none. Since no one, including TGAC, is prohibited by Sohigian from doing any of the things TGAC actually is capable of doing, it is free to do everything anyone or any other corporation can; and by not appealing the injunction you have so agreed. Thus, having no conceivably legitimate claim against TGAC, you depend on one manufactured from madness, and you must therefore dismiss the mess you've made.

There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me to not defend myself.

I realize you will probably claim to be offended by everything I've written in this letter. I can't do much about that because you seem to take offense no matter what I say or write, or don't. For, *inter alia*, that reason I haven't said or written it differently. I really don't blame you for being offended and I don't expect you not to be offended; nor will I be offended if you are. I think my position is obvious and I think peace is worth doing something about, even if the fomenters of war are offended. I've used the words I've used because to me they make sense and they're a facet of my craft.

This letter is not really, however you may take it, a complaint nor an attack. It is an effort to unfoment your litigation, into which I have been, albeit for some God-given purpose, drawn. So, neither forgetting nor ignoring Judge Sohigian's admonition not to settle Armstrong II, but still hoping, with my heart crossed, here is my proposal:

1. Settle the Nothling case;
2. Settle with Ed Roberts;
3. Dismiss your complaint against TGAC and Gerald Armstrong;
4. Remove all your bar complaints against Ford Greene;
5. Pay my attorney fees and costs;
6. We will dismiss the cross-complaint and appeal;
7. Cancel the agreement;
8. Return all materials you've stolen from me at any time;
9. Pay me whatever you want, including, but not limited to, nothing.

1. Malcolm Nothling has a claim and he has survived a lot to get to trial. His costs, not much by US litigation standards, must be recognized, and he must be made whole financially, ethically and publicly. I am convinced that his daughter, but for your control of her mother and her life, would enjoy a healthy, loving relationship with her father. Therefore you must do whatever is within your power to reunite them.

2. You know about the Ed Roberts case because Ms. Bartilson interrogated me about my providing assistance to Mr. Roberts in my last series of depositions in Armstrong II, and one of your lawyers, Marcello Di Mauro, in earlier times communicated about him with Ford Greene. Ed Roberts is a friend of mine who

was sucked dry and flat out robbed by your registrars on the way to an up- or downstat week of no consequence to anyone as it turns out, and always does, but Ed.

I have found myself in the silly position of being the only person in the world willing to help Mr. Roberts against your organization. Again, I have no desire to have Mr. Roberts engage you in litigation. In fact his situation can be resolved without your fomenting not only more litigation, but more ill will and silliness. For you it is merely an accounting matter. You ripped Mr. Roberts off; now pay him what is needed to make him whole again.

Mr. Roberts' case of Scientology lies, threats, treachery and thievery, his own money then used to pay your pittiless pettifoggers to prevent him from anything resembling redress, is being played and replayed every day of the year in your orgs. I would think that the three or so million you wasted on your inane USA Today ads to counter Richard Behar's few good pages could have taken care of three hundred Mr. Roberts and done a heap of good.

All your ads did was a heap of bad: more lies, more hate, more embarrassment for Scientologists everywhere, another dead forest, and an uncharitable little delay to your victims before they are made whole. The Ed Roberts case is, in my opinion, the proof of Time's theme: that you are - all of you at the top of your organization - a cult of greed. But worse, you squander your plunder, as witness Toronto, starve the good and fatten your PIs and proctors and their proctologists. And all with the fatuous excuse of a right to defend wrongness and attack rightness because your "religion's" stupidity is, in our courts of law, beyond question.

Anyway I want to have Ed's needs taken care of toot sweet. He probably wouldn't think less of you if you didn't apologize, but I think it's a good idea and sure couldn't hurt.

3. I don't care what order everything is done in. I think whatever is most practical, sensible and ergonomically sound is the way to approach this particular program, which, I'm sure can be wrapped up in a couple of days.

4. This is easy. These Ingram-generated efforts have only served to shine a light on your invidiously scheming enterprise. All your similarly baseless bar complaints against my other lawyer, Michael Flynn, came to nothing. You should learn from the earthworms. Filing no spurious bar complaints whatsoever they demonstrate their superior philosophy.

5. Although they're in the range of, I don't think fees and costs are over $500,000. Clearly nothing is going to happen

unless you cover my attorneys' fees and costs. To leave me with that indebtedness is unfair and unworkable. You will recall that I made a proposal in 1984, being then scared and weak: pay my lawyers' fees and costs of, I guessed, $150,000, and I'll quit. You, and in those days, Hubbard, said no way. I, less scared and much stronger, urge you to choose again.

6. Dismissal of the cross-complaint is easy. I'll take care of it.

8. I'm aware this may for a long time remain a pettiness you'd rather not confront. But I can guarantee that if you return my materials - the Hubbard letters manuscript, the Cones, all the other materials you and your PIs have stolen from me over the years, I will not bring criminal charges, and I won't even bring the subject up again.

9. You have to cancel the settlement agreement in order to demonstrate to yourselves that it was the wrong thing in which to put your faith. You will notice that when you cancel the agreement nothing will happen. Yet you will have freed me. And that is what you should make Scientology's only business: freeing people. You will also observe that when you free me you free yourselves; in fact you cannot yourselves be free unless you free me.

Regarding my relationship with you after you cancel the agreement, that is where you must reassert your faith. Have the faith that I will neither say nor write worse things about you if you free me to do so. As you know I can say some pretty pointed things about you now just because you won't cancel that degrading document. Put faith in what occurs in silence. Put faith in the inevitable.

7. You decide. If you think I did a lousy job unfomenting your litigation, pay me zippo. Even if it all works for everyone, timing inspired and ideas a Godsend, you don't have to pay me anything. I generally don't refuse what's offered. You know how much I'm worth.

I haven't forgotten Wollersheim, Yanny I & II, the Aznarans, the CAN litigation, claimants all over the place, your government lawsuits, the rest of the settlement signatories, your taxes, nor your image and media distress, and I think it's appropriate to say that I can help you unfoment those problems as well. I would, of course, need half a chance.

If you look deep in your hearts I believe you'll find you really do not want Scientology's legacy to be one of suppression; suppression of the Constitution, human dignity, truth, religion, justice, even suppression of your own good selves. Wouldn't it be better to be known as the people who ended the madness in peace and style; a radical recognition of the transcendence of quantum scientology. LRH was Newtonian in his physics and relativistic epistemologically. I like to call one aspect of my philosophy, *inter alia* non-mutual exclusivity.

I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is.

With a wish for peace in 1993, I remain hopeful and,

yours sincerely,

Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 949650
(415)456-8450

:ga

cc: Malcolm Nothling
Ed Roberts
Lawrence Wollersheim
Richard & Vicki Aznaran
Richard Behar
Ford Greene, Esquire
Paul Morantz, Esquire
Joseph A. Yanny, Esquire
Toby L. Plevin, Esquire
Graham E. Berry, Esquire
Stuart Cutler, Esquire
Anthony Laing, Esquire
John C. Elstead, Esquire
Michael J. Flynn, Esquire
Fr. Kent Burtner

Margaret Singer, PhD.
Cult Awareness Network
Daniel A. Leipold, Esquire
Church of Scientology International
Church of Scientology of California
Religious Technology Center
Church of Spiritual Technology
Church of Scientology ASHO
Church of Scientology AOLA
Founding Church of Scientology of Washington, D.C.
Church of Scientology Flag Service Organization
Church of Scientology of Arizona
Church of Scientology of Los Angeles
Church of Scientology of Stevens Creek
Church of Scientology of Sacramento
Church of Scientology of San Francisco
Church of Scientology of Washington State
Church of Scientology of Boston
Church of Scientology of Portland
Church of Scientology of New York

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 86 HON. DIANE WAYNE, JUDGE

CHURCH OF SCIENTOLOGY,
Plaintiff,
vs.
GERALD ARMSTRONG, et al.,
Defendants.

NO. BC 052 395

TRANSCRIPT OF PROCEEDINGS

March 5, 1993

APPEARANCES:

(See appearance page.)

COPY

COURT MONITOR: E. VELASCO
TRANSCRIPTION BY: FOX TRANSCRIPTIONS

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Pacific Palisades, CA 90272
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LOS ANGELES, CALIFORNIA, FRIDAY, MARCH 5, 1993, A.M.

DEPARTMENT NO. 86 HON. DIANE WAYNE, JUDGE

THE COURT: Church of Scientology versus Armstrong.

MR. WILSON: Good morning, Your Honor.

Andrew Wilson and Laurie Bartilson appearing on behalf of the plaintiff, Church of Scientology.

MR. GREENE: Good morning, Your Honor.

Ford Greene and Paul Morantz on behalf of Gerald Armstrong, who is sitting at the end of counsel table.

MR. WILSON: Your Honor, before we begin I'd like to ask the court's permission to have Mr. Michael Hertzberg sit at counsel table with me. He's not counsel in this action. He's a New York attorney who represented my client in the previous Armstrong action on the appeal.

THE COURT: It won't be necessary because we're not going to go very far.

Gentlemen, let me ask -- I'm sorry.

MR. WILSON: Okay.

THE COURT: This case is on appeal?

MR. WILSON: Yes.

THE COURT: And it just seems to me -- you're the moving party?

MR. WILSON: That's correct.

THE COURT: It seems to me ridiculous to hold this hearing prior to a determination whether or not this is a valid order. I mean, I have some serious questions about the validity of the order. And I'm not prepared to waste my time, if it's going to be heard. And apparently it's going to be heard very soon, because the briefs have already been filed and one is left to be filed; is that correct?

MR. GREENE: Actually, Your Honor, the respondent's brief is due. Scientology's brief is due on March 22nd.

THE COURT: The respondent being the moving party here?

MR. GREENE: Being the moving party here and the plaintiff in the action. And, as we noted in a footnote in our papers and we were going to call the court's attention to that fact again this morning.

THE COURT: It just seems like an inordinate waste of our time.

MR. WILSON: May I address that point?

THE COURT: Sure. You can address, but --

MR. WILSON: And I will attempt to convince you.

THE COURT: You're not. Especially after seeing all the papers you filed.

MR. WILSON: The point here is not whether Judge Sohigian made an error.

THE COURT: No, no. I absolutely agree and I would not relitigate the validity of the order and I'm not going to relitigate that. And I think you're absolutely right. But it does have to be a valid order.

Now, I don't know how broadly or narrowly you find that but I think that it's stupid for me to waste my time, your time, deciding whether or not Mr. Armstrong is in actual contempt of an order that may be set aside.

MR. WILSON: I agree it would not be a good use of your time.

THE COURT: Well, I don't mean that my time is so valuable. I don't mean it in that sense.

MR. WILSON: It would not be a good use of judicial time, but I don't believe that any of the issues --

THE COURT: That's not my personal time that I'm talking about.

MR. WILSON: I don't believe that any of the issues that are going to be addressed on appeal will solve the problem of whether Mr. Armstrong should be held in contempt for this very simple reason:

The cases say that the only excuse that Mr. Armstrong could have for violating this court's order would be if the court did not have jurisdiction. And the cases talk about what that jurisdiction is and it's either personal jurisdiction and subject matter jurisdiction.

There's no question that Judge Sohigian had jurisdiction to issue this order. Mr. Greene tries to bootstrap his arguments, which are essentially arguments that Judge Sohigian's order was wrong, into arguments that Judge Sohigian did not have jurisdiction.

But if you look at the cases that we've cited -- and I think this is a very important point -- particularly the Walker v. City of Birmingham case, where in that case there was an injunction issued against people marching, a Civil Rights march, that involved the infamous Bull Connor, who didn't give them a permit. A court enjoined them; they violated the injunction and it went all the way up to the

Supreme Court.

And the Supreme Court said it doesn't matter this ordinance was unconstitutional; it doesn't matter whether your rights of free speech were violated. What matters is you cannot disobey the order of the court.

And in the Walker case the Supreme Court made a statement, and I'd like to read it to you briefly. And the court said, "Without question, the state court that issued the injunction had, as a court of equity, jurisdiction over the petitioners and over the subject matter of the controversy. And this is not a case where the injunction was transparently invalid or had only a frivolous pretense to validity.

We have consistently recognized the strong interest of state and local governments in regulating the use of their streets and other public places."

I submit to the court that the interest here that the court has in making sure its orders are obeyed is at least as strong as the interest of the State in Walker in regulating its streets and public ways.

What's going on here is not that Mr. Armstrong is involved in this hearing against the Church of Scientology. This is a case of Mr. Armstrong against this court. There is an order of this court and he violated it. That's what's relevant here and there's no issue before the appellate court that's going to resolve that.

THE COURT: Oh, but I think there is. And that's whether or not this is an order --

I'll tell you, when I first looked at this order, I thought the order was clear until I then read part of the transcript. Then it became unclear to me. And I think that is in front of the appellate court, whether or not this is an order capable of being followed, because Judge Sohigian's comments that at least it confused me a little bit.

So I do think that issue is there and I'm going to put this matter over until I think that will be decided without prejudice to anybody's rights and I would suggest that you return in June. I think that would give us sufficient time.

Your Honor, my concern -- and I know this is not before the court, but my concern is that Mr. Armstrong has stated in deposition -- you've probably seen that statement -- he's not going to obey this agreement no matter what a court says.

We have put forth numerous instances in which we believe he is --

THE COURT: If that's a valid order, each time he disobeys it, he faces five days in jail. I take contempt very seriously. And, I mean, I don't treat it lightly and he just does it at his peril.

MR. WILSON: Thank you.

THE COURT: All right. Let's pick a date in June. Why don't we make it June 1st.

MR. WILSON: May I be able to look at my calendar?

THE COURT: Sure.

MR. GREENE: These proceedings are being electronically recorded; right, Judge? Could we get a transcript.

THE COURT: Yes.

MR. GREENE: Thank you, Your Honor.

MS. BARTILSON: Your Honor, the case is scheduled for trial May 3rd. Judge Horowitz found no problem with going forward on the trial of this case, despite the appeal. And essentially the message that I hear Mr. Armstrong being told is you do the contempt at your peril, but by filing an appeal, no matter how frivolous, you can avoid an order of the court.

THE COURT: You know what? I don't try to interrupt you, so try not to interrupt me. All right.

MS. BARTILSON: I'm sorry. I apologize, Your Honor.

THE COURT: Is June 1st all right?

MR. GREENE: For me it's not, Your Honor. I have a conflict and maybe I can change that conflict, so I'll try.

THE COURT: June 1st. Is that all right for you?

MR. WILSON: Yes, it is, Your Honor.

THE COURT: We'll see you back here June 1st.

Mr. Armstrong, you are ordered to return on June 1st at 9:30.

MR. GREENE: Thank you, Your Honor.

(Proceedings concluded.)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 86 HON. DIANE WAYNE, JUDGE

CHURCH OF SCIENTOLOGY,
Plaintiff,
vs.
GERALD ARMSTRONG, et al.,
Defendants.

NO. BC 052 395

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, MARIE FOX, a duly designated transcriber, do hereby declare and certify under penalty of perjury that I have caused to be transcribed the portion of tape 1 which was duly recorded in the Superior Court of the State of California, County of Los Angeles, Department 86, on the 5th day of March, 1993, in the above-mentioned case, and that the foregoing 6 pages comprise a true and correct, accurate transcription of the aforementioned tape.

Dated this 19th day of March, 1993.

Marie Fox COPY

Transcriber

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: March 23, 1993

Honorable	DAVID A. HOROWITZ	, Judge	S. ROBLES	, Deputy Clerk
		, Deputy Sheriff	B. CHARLINE HOWELL	, Reporter
8	C. AGUIRRE	, C. S. L.		, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

VS

GERALD ARMSTRONG

Counsel For Plaintiff: LAURIE BARTILSON (x)
ANDREW WILSON (x)

Counsel For Defendant: FORD GREENE (x)

NATURE OF PROCEEDINGS:

MOTION OF DEFENDNAT, GERALD ARMSTRONG, FOR STAY OR IN THE ALTERNATIVE, FOR AN EXTENSION OF TIME TO OPPOSE MOTIONS FOR SUMMARY ADJUDICATION;

D, Mot for stay of proceedings GRANTED. The action is stayed under CCP 916. Counsel are ordered to report any decision by the Court of Appeal to this Department, in writing, within one day of the issuance of the opinion so that this Court may lift the stay.

"...an appeal stays proceedings in the trial court upon the ..order appealed from or upon the matters embraced therein or affected thereby..." CCP 916. As the Church has stated in its Summary Adjudication motions, "The facts are undisputed, however, that Armstrong has breached the Agreement repeatedly and deliberately. Because of these breaches, a preliminary injunction was issued by the Court on May 28, 1992." Obviously, the validity of the Agreement is the basis for the preliminary injunction. One of the basis for the appeal is an attack on the legality and validity of the Agreement.

The central issue of this case is the legality and validity of the Agreement. The Court of Appeal could certainly reach that issue in its determination of the validity of the injunction. If it does, that ruling could be determinative of many of the issues of this case. It makes no sense to proceed with this matter until the Court of Appeal makes its ruling.

Any and all matters set in this department, including but not limited to the Motions set for 3/31/93, the Final Status Conference of 4/23/93 and the Trial of 5/3/93, are each advanced and vacated.

Defendant shall give notice.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

D 05/26/93

DEPT. 30

HONORABLE David Horowitz JUDGE

S. ROBLES DEPUTY CLERK

HONORABLE JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

4

C. AGUIRRE, CSL Deputy Sheriff

B. CHARLINE HOWELL Reporter

8:30 am	BC052395 Church of Scientology, etc. VS Gerald Armstrong, et al. 170.6 JUDGE GEERNAERT	Plaintiff Counsel	ANDREW H. WILSON (x) LAURIE J. BARTILSON (x)
		Defendant Counsel	PAUL MORANTZ (x)

NATURE OF PROCEEDINGS:

MOTION OF PLAINTIFF CHURCH OF SCIENTOLOGY FOR CLAIFICATION OR ALTERNATIVELY TO REQUIRE THE POSTING OF AN UNDERTAKING PENDING APPEAL BY DEFENDANT ARMSTRONG;

The instant motion is improperly before this court. The injunction was issued in Department 86 of the Superior Court. The hearing on contempt relating to the injunction is before Department 86, and the appeal of the injunction is an appeal for the orders of Department 86.

This Court did no more than stay the trial proceedings pending the outcome of the appeal. Any "clarifications" or further orders necessary to define the parameters of the injunction, contempt, and/or "undertakings", or other matters relating to the injunction, should be addressed and raised in Department 86, Judge Diane Wayne presiding.

No sanctions.

Plaintiff shall give notice.

MINUTES ENTERED
05/26/93
COUNTY CLERK

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

CHURCH OF SCIENTOLOGY, ETC.,
PLAINTIFF,
VS
GERALD ARMSTRONG, ET AL.,
DEFENDANT.

NO. BC052395

REPORTER'S TRANSCRIPT OF PROCEEDINGS
WEDNESDAY, MAY 26, 1993

APPEARANCES:

FOR PLAINTIFF:	BOWLES AND MOXON BY: ANDREW WILSON, ESQ. LAURIE J. BARTILSON, ESQ. 6255 SUNSET BOULEVARD SUITE 2000 HOLLYWOOD, CALIFORNIA 90028
FOR DEFENDANT:	PAUL MORANTZ, ESQ. P. O. BOX 11 PACIFIC PALISADES, CALIFORNIA 90272

B. CHARLINE HOWELL, CSR NO. 1296
OFFICIAL REPORTER

LOS ANGELES, CALIFORNIA; WEDNESDAY, MAY 26, 1993
8:36 A.M.

DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

APPEARANCES: SEE TITLE PAGE

THE COURT: CHURCH OF SCIENTOLOGY VERSUS ARMSTRONG.

MR. WILSON: ANDREW WILSON AND LAURIE BARTILSON APPEARING ON BEHALF OF PLAINTIFF CHURCH OF SCIENTOLOGY.

MR. MORANTZ: PAUL MORANTZ FOR THE DEFENDANT, YOUR HONOR.

THE COURT: ALL RIGHT.

ANYBODY WISH TO BE HEARD?

MR. WILSON: YOUR HONOR, I THINK THAT I HAVE NO PROBLEM WITH THE TENTATIVE. I UNDERSTAND WHAT THE COURT IS SAYING IS THAT YOUR ORDER LAST TIME WE WERE HERE WAS INTENDED MERELY TO STAY THE PROCEEDINGS AND NOT THE ENFORCEMENT OF THE JUNCTION.

THE COURT: CORRECT.

MR. WILSON: OKAY. THANK YOU.

THAT IS FINE WITH ME.

THE COURT: OKAY.

ALL RIGHT.

--0--

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE

CHURCH OF SCIENTOLOGY, ETC.,)
)
PLAINTIFF,)
VS)
)
GERALD ARMSTRONG, ET AL.,)
) NO. BC052395
)
DEFENDANT.)
_____________________________________)

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, B. CHARLINE HOWELL, OFFICIAL REPORTER OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING PAGE 1 COMPRISES A FULL, TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER ON MAY 26, 1993.

DATED THIS 28THND DAY OF MAY, 1993.

______________________________, CSR NO. 1296
OFFICIAL REPORTER

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL, Plaintiff and Respondent, v. GERALD ARMSTRONG, Defendant and Appellant.	No. B069450 (Super. Ct. No. BC052395) (Ronald M. Sohigian, Judge) ORDER

COURT OF APPEAL - SECOND DIST.
FILED
JUN 29 1993
JOSEPH [illegible] Clerk
R. TAYLOR
Deputy Clerk

THE COURT:*

We have read and considered respondent's motion for expedited hearing, filed on May 11, 1993, and appellant's "qualified non-opposition," filed on May 27, 1993. We have read and considered appellant's request for judicial notice, filed on May 12, 1993.

The motion for expedited hearing is denied, as no legal basis was provided in support of the motion.

The request for judicial notice is denied as no good cause was provided in support of it.

---

*WOODS (A.), P.J.

DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, having personal knowledge of the following, hereby declare and state:

1. I became involved with Scientology as a customer in 1969 in Vancouver, British Columbia. I worked on staff there in 1970 and in February 1971 joined the Sea Organization (SO or Sea Org) in Los Angeles. I was flown to Spain and joined the Sea Org's flag ship, "Apollo," in Morocco. L. Ron Hubbard, the Sea Org's "Commodore," was on board and operated Scientology internationally through the "crew" which numbered, during my stay on board of four and a half years, around four hundred. All my staff positions on board involved personal contact with L. Ron Hubbard, Mary Sue Hubbard, administrative organization staff and people in the ports and countries the "Apollo" visited, and included "Ship's Representative" (legal representative), "Port Captain" (public relations officer), and "Information Officer" (intelligence officer).

2. In the fall of 1975 after the ship operation moved ashore in Florida I was posted in the Guardian's Office (GO) Intelligence Bureau connected to Hubbard's Personal Office. From December 1975 through June 1976 I held the post of Deputy LRH External Communications Aide, a relay terminal for Hubbard's written and telex traffic to and from Scientology organizations. From July 1976 to December 1977 I was assigned, on Hubbard's order, to the "Rehabilitation Project Force" (RPF), the SO prison system. In 1978 I worked in Hubbard's cinematography crew in La Quinta, California, making movies under his direction until the fall of that year when he again

assigned me to the RPF, this time for eight months first in La Quinta, then at a newly purchased base in Gilman Hot Springs near Hemet, California. When I got out of the RPF in the Spring of 1979 and until the beginning of 1980, I worked in Hubbard's "Household Unit" (HU) at Gilman, the SO unit which took care of Hubbard's house, personal effects, transport, meals and so forth, as the "Purchaser," "Renovations In-Charge" and "Deputy Commanding Officer HU."

3. Throughout 1980 and until I left the organization in December 1981 I held the organization posts in Hubbard's "Personal Public Relations Bureau" of "LRH Archivist" and "LRH Personal Researcher." I assembled in Los Angeles an archive of Hubbard's writings and other materials relating to his history to be used as, inter alia, the basis for a biography to be written about the man. I also worked in Los Angeles for the first few months of 1980 on Mission Corporate Category Sortout (MCCS), which had the purpose of restructuring the Scientology enterprise so that Hubbard could continue to control it without being liable for its actions. Beginning in the fall of 1980 and continuing until my departure, I provided the biographical writings and other materials, as I collected and organized them, to Omar Garrison, who had contracted with the organization to write the Hubbard biography. I interviewed many people who had known Mr. Hubbard at periods throughout his life, including almost all of his known living relatives. I traveled several thousand miles collecting biographical information and conducting a genealogy search, and arranged the purchase of a number of collections of Hubbard-related

documents and other materials from individual collectors.

4. As a result of the activities described above, I have become very familiar with Scientology policies, practices, and policy documents. I also know that the Church of Scientology of California, as part of the Scientology organization, has followed and implemented these policies and practices, including those described below.

5. Attached to this declaration as Exhibit A is a true copy of a portion of volume II of The Technical Bulletins of Dianetics and Scientology, by L. Ron Hubbard, the founder of Scientology. It includes (at page 157) the following description of Scientology's practice of using litigation to harass its opponents:

> The purpose of the suit is to harass and discourage rather than to win. [¶] The law can be used very easily to harass, and enough harassment on somebody who is simply on the thin edge anyway...will generally be sufficient to cause his professional decease. If possible, of course, ruin him utterly.

6. Attached to this declaration as Exhibit B is a true copy of an internal Scientology document, Guardian Order 166, dated October 7, 1971. This document was written by the then Guardian, Jane Kember, at that time the most senior Scientology official under L. Ron Hubbard and his wife, Mary Sue Hubbard. GO 166 was included in the Intelligence Course Pack which I studied while I was the Intelligence Officer on Scientology's ship the "Apollo" in the 1970's. This document includes the following explanation that Scientology legal strategy in the U.S. is to use litigation as a financial club:

> The button used in effecting settlement is purely financial. In other words, it is more costly to continue the legal action than to settle in some fashion. ... [¶]

> Therefore, it is imperative that legal US Dev-T his opponents and their lawyers with correspondence (a lawyer's letter costs approx $50), phone calls (time costs), interrogatories, depositions and whatever else legal can mock up. [¶] One of the bright spots of US legal is that even if you lose you don't pay your opponent for his lawyers fees.

The phrase "Dev-T" is a term which Scientology uses to mean to cause someone to do unnecessary work.

7. Since leaving the Scientology organization, I have monitored the conduct of the organization, including the Church of Scientology of California. I am familiar with, and have been a target and victim of the "fair game" doctrine, which was described by the California Court of Appeal decisions in Church of Scientology v. Armstrong, Allard v. Church of Scientology, and Wollersheim v. Church of Scientology. Although Scientology claims that the "fair game" doctrine has been abandoned, I know from personal experience that this is not true, at least as recently as this year. For instance, Scientology attempted in the first few months of 1993 to have me jailed for contempt of court based on the false declaration of a Scientologist lawyer, Laurie Bartilson, for acts which Scientology itself set up. This is only the most recent of over a decade of "dirty tricks" which Scientology personnel have directed at me.

8. From my personal experience, I know that Scientology does use the litigation approach described by Hubbard and Kember in the quotes above. In various cases, Scientology has subjected me to over 35 days of depositions. As a paralegal working on cases involving Scientology for 16 months for Boston attorney Michael Flynn and for almost two years for California attorney Ford Greene (to the present), I have observed

Scientology's litigation practices. Scientology regularly attempts to bludgeon the opposition into submission with a blizzard of meritless paper, motions, depositions, appeals, writs, Bar complaints, criminal complaints, perjured testimony, and other improper and abusive tactics.

9. I am also aware that Scientology uses an attack strategy against judges who rule against it, which includes claims of bias and prejudice and frequently personal attacks. For instance, in my case, Church of Scientology of California v. Armstrong, L.A. Superior Court No. C 420153, Scientology twice tried unsuccessfully to disqualify Judge Breckenridge from the case because of alleged bias, and levied personal attacks on him, accusing him publicly of Nazi affiliation. Similarly, in Aznaran v. Church of Scientology of California, U.S.D.C. C.D.Cal # CV-88-1786-JMI, Scientology unsuccessfully attempted to recuse Judge James Ideman because of alleged bias.

10. Attached to this declaration as Exhibit C is a true copy of the June 20, 1984 decision by Judge Paul G. Breckenridge, Jr., in the case of Church of Scientology of California v. Gerald Armstrong, L.A. Superior Court No. C 420153, which was affirmed on appeal at 232 Cal.App.3d. 1060, 283 Cal.Rptr. 917 (1991).

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed this 4th day of June, 1993, at Oakland, California.

G. Armstrong

Gerald Armstrong

EXHIBIT A

The
Technical Bulletins
of
Dianetics and Scientology

by

L. Ron Hubbard

FOUNDER OF DIANETICS AND SCIENTOLOGY

Volume
II
1954–1956

Scientology Publications
Copenhagen
Los Angeles

EXHIBIT A

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EXHIBIT A

IN ALL SUCH CASES OF ARREST FOR THE [illegible] THE HASI WILL SEND A REPRESENTATIVE AT ONCE BUT DO NOT WAIT FOR HIS ARRIVAL TO PLACE THIS SUIT. THE SUIT MUST ALREADY HAVE BEEN FILED WHEN THE HASI ATTORNEY ARRIVES.

In other words, do not, at any moment leave this act unpunished, for, if you do you are harming all other Scientologists in the area. When you are attacked it is your responsibility then to secure from further attack not only yourself but all those who work with you. Cause blue flame to dance on the courthouse roof until everybody has apologized profusely for having dared to become so adventurous as to arrest a Scientologist who, as a minister of the church, was going about his regular duties. As far as the advices of attorneys go that you should not sue, that you should not attack, be aware of the fact that I, myself, in Wichita, Kansas, had the rather interesting experience of discovering that my attorney, employed by me and paid by me, had been for some three months in the employ of the people who were attacking me, and that this attorney had collected some insignificant sum of money after I hired him, by going over to the enemy and acting upon their advices. This actually occurred, so beware of attorneys who tell you not to sue. And I call to your attention the situation of any besieged fortress. If that fortress does not make sallies, does not send forth patrols to attack and harass, and does not utilize itself to make the besieging of it a highly dangerous occupation, that fortress may, and most often does, fall.

The DEFENSE of anything is UNTENABLE. The only way to defend anything is to ATTACK, and if you ever forget that, then you will lose every battle you are ever engaged in, whether it is in terms of personal conversation, public debate, or a court of law. NEVER BE INTERESTED IN CHARGES. DO, yourself, much MORE CHARGING, and you will WIN. And the public, seeing that you won, will then have a communication line to the effect that Scientologists WIN. Don't ever let them have any other thought than that Scientology takes all of its objectives.

Another point directly in the interest of keeping the general public to the general public communication line in good odor: it is vitally important that a Scientologist put into action and overtly keep in action Article 4 of the Code: "I pledge myself to punish to the fullest extent of my power anyone misusing or degrading Scientology to harmful ends." The only way you can guarantee that Scientology will not be degraded or misused is to make sure that only those who are trained in it practice it. If you find somebody practicing Scientology who is not qualified, you should give them an opportunity to be formally trained, at their expense, so that they will not abuse and degrade the subject. And you would not take as any substitute for formal training any amount of study.

You would therefore delegate to members of the HASI who are not otherwise certified only those processes mentioned below, and would discourage them from using any other processes. More particularly, if you discovered that some group calling itself "precept processing" had set up and established a series of meetings in your area, you would do all you could to make things interesting for them. In view of the fact that the HASI holds the copyrights for all such material, and that a scientific organization of material can be copyrighted and is therefore owned, the least that could be done to such an area is the placement of a suit against them for using materials of Scientology without authority. Only a member of the HASI or a member of one of the churches affiliated with the HASI has the authority to use this information. The purpose of the suit is to harass and discourage rather than to win.

The law can be used very easily to harass, and enough harassment on somebody who is simply on the thin edge anyway, well knowing that he is not authorized, will generally be sufficient to cause his professional decease. If possible, of course, ruin him utterly.

A D.Scn. has the power to revoke a certificate below the level of D.Scn. but not a D.Scn. However, he can even recommend to the CECS of the HASI that D.Scns. be revoked, and so any sincere Scientologist is capable of policing Scientology. This is again all in the interest of keeping the public with a good opinion of Scientology, since

EXHIBIT A

bad group pr[illegible]ng and bad auditing are worse than b[illegible]licity and are the worst thing that can happen to the general public to general public communication line.

The best thing that can happen to it is good auditing, good public presentation, and a sincere approach on the subject of Scientology itself. Remember, we are interested in ALL treatment being beneficial, whether it is Scientology or not. For bad treatment in any line lowers the public opinion of all treatment.

In addressing persons professionally interested in the ministry, we have another interesting problem in public presentation. We should not engage in religious discussions. In the first place, as Scientologists, we are gnostics, which is to say that we know that we know. People in the ministry ordinarily suppose that knowingness and knowledge are elsewhere resident than in themselves. They believe in belief and substitute belief for wisdom. This makes Scientology no less a religion, but makes it a religion with an older tradition and puts it on an intellectual plane.

Religious philosophy, then, as represented by Scientology, would be opposed in such a discussion to religious practice. We are all-denominational rather than non-denominational, and so we should be perfectly willing to include in our ranks a Moslem, or a Taoist, as well as any Protestant or Catholic, while people of the ministry in Western civilization, unless they are evangelists, are usually dedicated severely to some faction which in itself is in violent argument with many other similar factions. Thus these people are ready to argue and are practiced in argument, and there are more interpretations of one line of scripture than there are sunbeams in a day. Beyond explaining one's all-denominational character, explaining that one holds the Bible as a holy work, one should recognize that the clergy of Western Protestant churches defines a minister or the standing of a church by these salient facts: Jesus Christ was the Savior of Mankind, Jesus Christ was the Son of God.

We in Scientology find no argument with this, and so in discussing Scientology with other ministry one should advance these two points somewhere in the conversation. Additionally, one should advance to the ministry exactly those things mentioned earlier as what we would like the general public to believe. Christ, if you care to study the New Testament, instructed his disciples to bring wisdom and good health to man, and promised mankind immortality, and said the Kingdom of Heaven was at hand, and the translators have not added that "at hand" possibly meant three feet back of your head. We could bring up these points but there is no reason to. You are not trying to educate other ministry. A friendly attitude toward other ministry in general, and fellow ministers in particular, is necessary.

The way to handle an individual minister of some other church is as follows: get him to tell you exactly what HE believes, get him to agree that religious freedom is desirable, then tell him to make sure that if that's the way he believes, he should keep on believing that, and that you would do anything to defend his right to believe that.

None of these people as individuals are antipathetic. They know a great deal about public presence, and can be respected for such knowledge. However, engaging in long discourses, or trying to educate a minister of some Protestant church or a priest of the Catholic faith into the tenets of Scientology is not desirable and is directly contrary to Article 10 of the Code of a Scientologist.

You will find you have many problems and people in common with other ministers. They're alive too. Also you will see a campaign to place only ministers in charge of the mind and mental healing. Talk about these things.

The Christian Church has been hurt by factionalism. We stand for peace and happiness. Therefore, let us carry it forward by example, not by unseemly discussions.

2. SCIENTOLOGISTS TO THE GENERAL PUBLIC

In the assemblage of congregations, and in addressing the general public at large, a Scientologist has a responsibility to give to the public, in the form of such congregations or meetings, information acceptable to them, which can be understood by them, and which will send them away with the impression that the Scientologist who addressed them knew definitely what he was talking about and that Scientology is an unconfused, clear-cut subject.

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EXHIBIT B

41.

GUARD[illegible]

7 October 1971

GO 1[illegible]
To all
A/Gs
D/G [illegible]
PROs
Bur 4s

RE: BOOKS & ENTHETA WRITTEN ABOUT SCIENTOLOGY BY SPS

In the UK, the following legal actions have been done on entheta books which have been written about Scientology.

1. Satans Slaves - this was a book all about Charles Manson and hippie cults in California. In several places, throughout the book, Charles Manson was mentioned as a former Scientologist (untrue) and it was alleged that he got his start with Scientology etc.

The publishers of the book were sued for libel -- they did not serve a defence but instead asked for settlement. It was agreed that they would pay us £100 damages, together with the costs of the action. They also agreed to make an apology in open court and to discontinue publication and sales of the book

2. A psychologist by the name of Dr. Christopher Evans was writing a book entitled '20th Century Cults". Legal started writing to him and his publishers and later his lawyers. No proceedings were started because the book had not been published. However, endless letters were sent to and fro over a period of about a year, during which time it was made clear to the publishers and their lawyers that if they published the book, they would have to fight a legal action, which would lose them money.

Finally the publishers lawyers wrote to us to say that there was no point in continuing the correspondence because the publishers had now decided not to publish the book. As of this date the book has not been published.

3. C. H. Rolph, (small time author and journalist), was commissioned by the NAMH U.K. to write a book on the subject of the NAMH conflict with Scientology, from their viewpoint. PRO got in touch with Rolph - Rolph came down to SH and there were a series of friendly letters. Rolph finally submitted his manuscript to PRO but, in spite of the friendly visits, it turned out that he was just a NAMH hack and had written an attack.

Legal wrote to him and his lawyers, and pointed out that publication would be a contempt of court (because of other legal actions which we have against the NAMH). The book has not been published.

4. "Scientology, what it is - what it does" by Rev. Morris Burrell was the first book published in the UK, solely on the subject of Scientology. Burrell had been in comm with PRO and a long series of letters had passed between them. But once again, the book when published turned out to be hostile. The front cover of the book contained the Scientology double triangle and our first thought was to begin legal proceedings for infringement of trademark. However, on reading the book, it was discovered that Burrell had mentioned a number of libel actions in which C of S was engaged and had commented upon them.

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Thus, being a contempt of court, legal moved [illegible] court for an order "that Morris C. Durrell do stand committed to Her Majesty's Prison at Brixton and that the publishers may be so committed for their several and respective contempts".

So, legal took them to Court, and the Judge found hat the book was a contempt of court. So the book was drawn from publication without any copies having been to the public.

The latest book is by Cyril Vosper called "The Mindbenders", stupid bit of matter. A preview of the book was sent out y the publishers, and PRO was alerted by a phone call from TV station, who wanted a confrontation on TV with Cyril osper. This gave the G.O. 24 hours to stop the book, the V confrontation and attendant bad publicity.

The book contained numerous quotes from Scientology ooks and policy letters etc and contained some data which esper had learned on the Solo Course. Legal proceedings ere brought on the basis of breach of copyright and breach f confidential relationship (meaning putting in details of he Solo Course). As time was short, 34 did a superb job of etting data, PRO did a superb job of stalling TV, and Legal ent round to the Judge in the evening at his own home, to ask or an injunction. (An injunction is a Court order stopping person from doing a particular act). In this case the njunction was to prevent the book from being sold or istributed. PRO went down to the TV station, to be ready o appear, in case the injunction was not obtained. The rogramme announcer had already made his introductions on yril and his book, when the phone rang in the studio, and our wyer informed the producer that the injunction had been ained. The announcer was forced to apologize to the wers, and PRO handled the resultant tension after the rogramme had not gone on, with a drunken Vosper and furious roducer.

The injunction was Ex parte (the other side was ot present when it was obtained) and 3 weeks later legal ent before the Court again for a contested hearing, to see whether the injunction should be continued or not. Legal won n both counts of copyright and breach of confidence. The other side now have 14 days in which to appeal.

The point of relating these actions is to indicate that the following countries have similar laws to Britain:

New Zealand

Australia

South Africa

Canada

There is no acceptable justification in these untries for no action being taken against the publishers authors of entheta Books. The G.O. has to act fast, ectively and with imagination. The skill required is in

1) Having the brains to see a possible course of action, no matter how unlikely.

2) Having the necessary organisation to start that action immediately and bring it to a point of confrontation and decision. (The longer the delay, the greater the chance of failure).

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3) Legal U.K. seldom, if ever, assesses its chances of winning before commencing action. Its ability lies in getting the action into court fast, without a Q&A on the chances of winning. No-one can accurately assess in advance the chances of winning or losing, as this is a matter of individual lawyers, individual judges, how many are breaks the judge had that way, the particular circumstance of the particular case which strikes the Judge and good fortune. Good fortune never strikes you in Court, unless you are in Court.

4) Legal U.K. has been in courts more often in the past 3 years than the rest of the Scientology world combined. They have won more cases and lost more cases than anywhere else. They lost cases they were sure they would win, and won cases they were sure they would lose. The losses did not hurt us, and the successes established an iron clad ethics presence, which has probably prevented more entheta than we will ever know about (B4 feedback lines confirm this).

5) Do not worry about whether you will win or lose, but direct all effort and concentration on the legal technicalities required to achieve a legal confrontation.

6) It is always technically possible - though sometimes difficult, to get into Court. The most difficult part is in forcing your legal team, especially outside lawyers, to get this done, in spite of their terror of losing. It requires intention, determination and forceful persistance to get this done. Not legal genius.

Re USA

In America, where Freedom of Speech includes freedom to malign with impunity, except for old ladies and crippled men, much more imagination is required. Because of the Constitution of America, and case law on libel, inclusive of recent Supreme Court decisions, it is impossible to prevent publication of libel. Attempts to prevent a book being published are called pre-publication censorship, and are extremely unpopular legally. However, where U.S. Legal has been successful is prior to Court appearances and actual trial in effecting settlement.

The button used in effecting settlement is purely financial. In other words, it is more costly to continue the legal action than to settle in some fashion. Using this, legal U.S. usually moves for retraction of the libel and/or publication of a correction or Scientology viewpoint.

Therefore, it is imperative that legal US D-v-T his opponents and their lawyers with correspondence (a lawyer's letter costs approx $50), phone calls (time costs), interrogatories, depositions and whatever else legal can mock up.

One of the bright spots of US legal is that even if you lose you don't pay your opponent for his lawyers fees. Therefore the cost of any legal action is small by comparison with Commonwealth Countries, where the losor pays everything.

N.B.: Any legal action on entheta publications needs the close co-ordination of PR, Legal and B4. One should carry forward without being afraid of being labelled Litigious. We want the reputation that we use the laws of

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[illegible] to uphold our legal and civil rights.

[illegible] Legal terminals have only just been set up [illegible] although the laws are different from Commonwealth and [illegible] laws, there are actions which can be taken if they are researched and forced through.

Up to this point, the G.O. has been entirely swayed by our wog lawyers negative opinions but legal i terminals should note the message in this Guardian order.

The message is that in combatting entheta articles and books, legal should be agressive, fast, persistent and untiring.

Every skirmish should be treated like a major battle.

Jane Kember
Guardian World Wide

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FILED
JUN 22 1984
John J. Corcoran,
Rosie M. Hart
BY ROSIE M. HART, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,
Plaintiff,
vs.
GERALD ARMSTRONG,
Defendant.

MARY SUE HUBBARD,
Intervenor.

No. C 420153

MEMORANDUM OF INTENDFD DECISION

In this matter heretofore taken under submission, the Court announces its intended decision as follows:

As to the tort causes of action, plaintiff, and plaintiff in intervention are to take nothing, and defendant is entitled to Judgment and costs.

As to the equitable actions, the court finds that neither plaintiff has clean hands, and that at least as of this time, are not entitled to the immediate return of any document or objects presently retained by the court clerk. All exhibits

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received in evidence or marked for identification, unless specifically ordered sealed[1], are matters of public record and shall be available for public inspection or use to the same extent that any such exhibit would be available in any other lawsuit. In other words they are to be treated henceforth no differently than similar exhibits in other cases in Superior Court. Furthermore, the "inventory list and description," of materials turned over by Armstrong's attorneys to the court, shall not be considered or deemed to be confidential, private, or under seal.

All other documents or objects presently in the possession of the clerk (not marked herein as court exhibits) shall be retained by the clerk, subject to the same orders as are presently in effect as to sealing and inspection, until such time as trial court proceedings are concluded as to the severed cross complaint. For the purposes of this Judgment, conclusion will occur when any motion for a new trial has been denied, or the time within such a motion must be brought has expired without such a motion being made. At that time, all documents neither received in evidence, nor marked for identification only, shall be released by the clerk to plaintiff's representatives. Notwithstanding this order, the parties may

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[1] Exhibits in evidence No. 500-40; JJJ; KKK; LLL: MMM; NNN; OOO; PPP; QQQ; RRR; and 500-QQQQ.

Exhibits for identification only No. JJJJ; Series 500-DDDD, EEEE, FFFF, GGGG, HHHH, IIII, NNNN-1, OOOO, ZZZZ, CCCCC, GGGGG, IIIII, KKKKK, LLLLL, OOOOO, PPPPP, QQQQQ, BBBBBB, OOOOOO, BBBBBBB.

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at any time by written stipulation filed with the clerk obtain release of any or all such unused materials.

Defendant and his counsel are free to speak or communicate upon any of Defendant Armstrong's recollections of his life as a Scientologist or the contents of any exhibit received in evidence or marked for identification and not specifically ordered sealed. As to all documents, and other materials held under seal by the clerk, counsel and the defendant shall remain subject to the same injunctions as presently exist, at least until the conclusion of the proceedings on the cross complaint. However, in any other legal proceedings in which defense counsel, or any of them, is of record, such counsel shall have the right to discuss exhibits under seal, or their contents, if such is reasonably necessary and incidental to the proper representation of his or her client.

Further, if any court of competent jurisdiction orders defendant or his attorney to testify concerning the fact of any such exhibit, document, object, or its contents, such testimony shall be given, and no violation of this order will occur. Likewise, defendant and his counsel may discuss the contents of any documents under seal or of any matters as to which this court has found to be privileged as between the parties hereto, with any duly constituted Governmental Law Enforcement Agency or submit any exhibits or declarations thereto concerning such document or materials, without violating any order of this court.

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This court will retain jurisdiction to enforce, modify, alter, or terminate any injunction included within the Judgment.

Counsel for defendant is ordered to prepare, serve, and file a Judgment on the Complaint and Complaint in Intervention, and Statement of Decision if timely and properly requested, consistent with the court's intended decision.

Discussion

The court has found the facts essentially as set forth in defendant's trial brief, which as modified, is attached as an appendix to this memorandum. In addition the court finds that while working for L.R. Hubbard (hereinafter referred to as LRH), the defendant also had an informal employer-employee relationship with plaintiff Church, but had permission and authority from plaintiffs and LRH to provide Omar Garrison with every document or object that was made available to Mr. Garrison, and further, had permission from Omar Garrison to take and deliver to his attorneys the documents and materials which were subsequently delivered to them and thenceforth into the custody of the County Clerk.

Plaintiff Church has made out a prima facie case of conversion (as bailee of the materials), breach of fiduciary duty, and breach of confidence (as the former employer who provided confidential materials to its then employee for certain specific purposes, which the employee later used for other purposes to plaintiff's detriment). Plaintiff Mary Jane Hubbard has likewise made out a prima facie case of conversion

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and invasion privacy (misuse by a pe n of private matters entrusted to him for certain specific purposes only).

While defendant has asserted various theories of defense, the basic thrust of his testimony is that he did what he did, because he believed that his life, physical and mental well being, as well as that of his wife were threatened because the organization was aware of what he knew about the life of LRH, the secret machinations and financial activities of the Church, and his dedication to the truth. He believed that the only way he could defend himself, physically as well as from harassing lawsuits, was to take from Omar Garrison those materials which would support and corroborate everything that he had been saying within the Church about LRH and the Church, or refute the allegations made against him in the April 22 Suppressive Person Declare. He believed that the only way he could be sure that the documents would remain secure for his future use was to send them to his attorneys, and that to protect himself, he had to go public so as to minimize the risk that LRH, the Church, or any of their agents would do him physical harm.

This conduct if reasonably believed in by defendant and engaged in by him in good faith, finds support as a defense to the plaintiff's charges in the Restatements of Agency, Torts, and case law.

Restatement of Agency, Second, provides:

> "Section 395f: An agent is privileged to reveal information confidentially acquired by him in the course of his agency in the protection of a superior interest of himself or a third person.

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"Section 418: An agent is privileged to protect interests of his own which are superior to those of the principal, even though he does so at the expense of the principal's interest or in disobedience to his orders."

Restatement of torts, Second, section 271:

"One is privileged to commit an act which would otherwise be a trespass to or a conversion of a chattel in the possession of another, for the purpose of defending himself or a third person against the other, under the same conditions which would afford a privilege to inflict harmful or offensive contact upon the other for the same purpose."

The Restatement of Torts, Second, section 652a, as well as case law, make it clear that not all invasions of privacy are unlawful or tortious. It is only when the invasion is unreasonable that it becomes actionable. Hence, the trier of fact must engage in a balancing test, weighing the nature and extent of the invasion, as against the purported justification therefore to determine whether in a given case, the particular invasion or intrusion was unreasonable.

In addition the defendant has asserted as a defense the principal involved in the case of Willig v. Gold, 75 Cal.App.2d, 809, 814, which holds that an agent has a right or privilege to disclose his principal's dishonest acts to the party prejudicially affected by them.

Plaintiff Church has asserted and obviously has certain rights arising out of the First Amendment. Thus, the court cannot, and has not, inquired into or attempted to evaluate the

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merits, accuracy, or truthfulness of Scientology or any of its precepts as a religion. First Amendment rights, however, cannot be utilized by the Church or its members, as a sword to preclude the defendant, whom the Church is suing, from defending himself. Therefore, the actual practices of the Church or its members, as it relates to the reasonableness of the defendant's conduct and his state of mind are relevant, admissible, and have been considered by the court.

As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Howard Schomer to be credible, extremely persuasive, and the defense of privilege or justification established and corroborated by this evidence. Obviously, there are some discrepancies or variations in recollections, but these are the normal problems which arise from lapse of time, or from different people viewing matters or events from different perspectives. In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved with LRH, or Mary Jane Hubbard, or of the Scientology Organization, is on the one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH, and his ideas. Each has manifested a waste and loss or frustration which is incapable of description. Each has broken with the movement for a variety of reasons, but at the same time, each is, still bound by the knowledge that the Church has

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in its posse. on his or her most inner oughts and confessions, all recorded in "pre-clear (P.C.) folders" or other security files of the organization, and that the Church or its minions is fully capable of intimidation or other physical or psychological abuse if it suits their ends. The record is replete with evidence of such abuse.

In 1970 a police agency of the French Government conducted an investigation into Scientology and concluded, "this sect, under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract the maximum amount of money from its adepts by (use of) pseudo-scientific theories, by (use of) 'auditions' and 'stage settings' (lit. to create a theatrical scene') pushed to extremes (a machine to detect lies, its own particular phraseology . .), to estrange adepts from their families and to exercise a kind of blackmail against persons who do not wish to continue with this sect."[2] From the evidence presented to this court in 1984, at the very least, similar conclusions can be drawn. In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization clearly is schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH. The evidence portrays a man who has been virtually a pathological liar when it comes to his history,

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[2] Exhibit 500-HHHHH.

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background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile. At the same time it appears that he is charismatic and highly capable of motivating, organizing, controlling, manipulating, and inspiring his adherents. He has been referred to during the trial as a "genius," a "revered person," a man who was "viewed by his followers in awe." Obviously, he is and has been a very complex person, and that complexity is further reflected in his alter ego, the Church of Scientology. Notwithstanding protestations to the contrary, this court is satisfied that LRH runs the Church in all ways through the Sea Organization, his role of Commodore, and the Commodore's Messengers.[3] He has, of course, chosen to go into "seclusion," but he maintains contact and control through the top messengers. Seclusion has its light and dark side too. It adds to his mystique, and yet shields him from accountability and subpoena or service of summons.

LRH's wife, Mary Sue Hubbard is also a plaintiff herein. On the one hand she certainly appeared to be a pathetic individual. She was forced from her post as Controller, convicted and imprisoned as a felon, and deserted by her husband. On the other hand her credibility leaves much to be desired. She struck the familiar pose of not seeing, hearing,

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[3] See Exhibit K: Flag Order 3729 - 15 September 1978 "Commodore's Messengers."

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or knowing any evil. Yet she was the head of the Guardian Office for years and among other things, authored the infamous order "GO 121669"[4] which directed culling of supposedly confidential P.C. files/folders for purposes of internal security. In her testimony she expressed the feeling that defendant by delivering the documents, writings, letters to his attorneys, subjected her to mental rape. The evidence is clear and the court finds that defendant and Omar Garrison had permission to utilize these documents for the purpose of Garrison's proposed biography. The only other persons who were shown any of the documents were defendant's attorneys, the Douglasses, the Dincalcis, and apparently some documents specifically affecting LRH's son "Nibs," were shown to "Nibs." The Douglasses and Dincalcises were disaffected Scientologists who had a concern for their own safety and mental security, and were much in the same situation as defendant. They had not been declared as suppressive, but Scientology had their P.C. folders, as well as other confessions, and they were extremely apprehensive. They did not see very many of the documents, and it is not entirely clear which they saw. At any rate Mary Sue Hubbard did not appear to be so much distressed by this fact, as by the fact that Armstrong had given the documents to Michael Flynn, whom the Church considered its foremost

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[4] Exhibit AAA.

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lawyer-enemy.[5] However, just as the plaintiffs have First Amendment rights, the defendant has a Constitutional right to an attorney of his own choosing. In legal contemplation the fact that defendant selected Mr. Flynn rather than some other lawyer cannot by itself be tortious. In determining whether the defendant unreasonably invaded Mrs. Hubbard's privacy, the court is satisfied the invasion was slight, and the reasons and justification for defendant's conduct manifest. Defendant was told by Scientology to get an attorney. He was declared an enemy by the Church. He believed, reasonably, that he was subject to "fair game." The only way he could defend himself, his integrity, and his wife was to take that which was available to him and place it in a safe harbor, to wit, his lawyer's custody. He may have engaged in overkill, in the sense that he took voluminous materials, some of which appear only marginally relevant to his defense. But he was not a lawyer and cannot be held to that precise standard of judgment. Further, at the time that he was accumulating the material, he was terrified and undergoing severe emotional turmoil. The court is satisfied that he did not unreasonably intrude upon Mrs. Hubbard's privacy under the circumstances by in effect simply making his knowledge that of his attorneys. It is, of course, rather ironic that the person who authorized G.O. order 121669 should complain about an invasion of privacy. The

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[5] "No, I think my emotional distress and upset is the fact that someone took papers and materials without my authorization and then gave them to your Mr. Flynn." Reporter's Transcript, p. 1006.

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practice of culling supposedly confidental "P.C. folders or files" to obtain information for purposes of intimidation and/or harassment is repugnant and outrageous. The Guardian's Office, which plaintiff headed, was no respector of anyone's civil rights, particularly that of privacy. Plaintiff Mary Sue Hubbard's cause of action for conversion must fail for the same reason as plaintiff Church. The documents were all together in Omar Garrison's possession. There was no rational way the defendant could make any distinction.

Insofar as the return of documents is concerned, matters which are still under seal may have evidentiary value in the trial of the cross complaint or in other third party litigation. By the time that proceedings on the cross complaint are concluded, the court's present feeling is that those documents or objects not used by that time should be returned to plaintiff. However, the court will reserve jurisdiction to reconsider that should circumstances warrant.

Dated: June 20, 1984

PAUL G. BRECKENRIDGE, JR.
Judge of the Superior Court

THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED IS A FULL TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE.

ATTEST SEP 11 1984 19

JOHN J. CORCORAN, County Clerk and Clerk of the Superior Court of California, County of Los Angeles

BY Hurst DEPUTY

S. HURST

EXHIBIT C